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EAST INDIA RAILWAYS.

RETURN to an Address of the Honourable The House of Commons, dated 26 June 1882;—*for*,

"COPY of the CONTRACTS or AGREEMENTS entered into by the SECRETARY of STATE for INDIA with any COMPANY for the Construction of RAILWAYS in *India* (in continuation of Parliamentary Paper, No. 450, of Session 1871)."

India Office,
29 November 1882.

ENFIELD,
Under Secretary of State.

(*Sir George Balfour.*)

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Ordered, by The House of Commons, *to be Printed*,
1 *December* 1882.

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Ditto - - ditto - - ditto - - - - -	,, 18 July 1879
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Ditto - - ditto - - ditto - - - - -	,, 5 April 1878
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COPY of the CONTRACTS or AGREEMENTS entered into by the SECRETARY of STATE for INDIA with any COMPANY for the Construction of RAILWAYS in *India* (in continuation of Parliamentary Paper, No. 450, of Session 1871).

CONTRACT between the SECRETARY of STATE for INDIA in COUNCIL and the BOMBAY, BARODA, and CENTRAL INDIA RAILWAY COMPANY, dated the 17th November 1871.

THIS INDENTURE, made the 17th day of November 1871, between the SECRETARY of STATE in COUNCIL of the one part, and the BOMBAY, BARODA, and CENTRAL INDIA RAILWAY COMPANY, incorporated by the Bombay, Baroda, and Central India Railway Act, 1855, passed in the Session of the 18th and 19th years of Her present Majesty, and now incorporated under the provisions of the Bombay, Baroda, and Central India Railway Act, 1859, passed in the Session of the 22nd and 23rd years of Her present Majesty, of the other part.

WHEREAS the Bombay, Baroda, and Central India Railway Company was incorporated by the said first-mentioned Act for, amongst other purposes, the making, working, and maintaining such railway or railways in India as might be agreed upon by the said railway company and the East India Company:

And whereas by an Indenture bearing date the 21st day of November 1855, and made between the East India Company of the one part, and the said railway company of the other part, it was amongst other things agreed that the said railway company should construct and open a line of railway to commence at Surat, and to proceed to Baroda and Ahmedabad, the capital raised or to be raised by the said railway company for the purposes of the same Indenture being the sum of 500,000 *l.* And it was also agreed that the land required for the purpose of the said railway should be provided by the East India Company, and that upon the completion of the said line of railway, or of any part or parts thereof which should be required by the East India Company to be first completed, the land required for the completed line, and for the works and conveniences thereto belonging, should be leased to the said railway company by the East India Company for the term of 99 years from the 1st day of May 1855, determinable by surrender or purchase or re-entry, as in the said Indenture mentioned, and that the East India Company should pay to the said railway company in London, on the 30th day of June and the 31st day of December in every year during the said determinable term, interest at the rate of 5 *l.* per cent. per annum on the said sum of 500,000 *l.*, or on such part thereof as should for the time being have been paid by the said railway company as therein mentioned:

And whereas under the provisions of the Act of the 21st and 22nd years of Her Majesty, cap. 106, intituled "An Act for the better Government of India," the benefit of the contract made by the hereinbefore recited Indenture became vested in Her Majesty for the purposes of the Government of India, and save as otherwise provided by the same Act, one of Her Majesty's Principal Secretaries of State has and may exercise and perform all such and the like powers and duties relating to the Government and Revenues of India as might or should have been exercised or performed by the East India Company, and the Secretary of State in Council, with the concurrence of a majority of votes at a meeting of the Council of India, has full power to enter into any contracts whatsoever which may be thought fit for the purposes of the same Act, and all monies payable in respect of the hereinbefore recited Indenture, and all liabilities to be

contracted on account of the Government of India, are charged and chargeable on the revenues of India:

And whereas by an Indenture bearing date the 1st day of February 1859, and made between the Secretary of State in Council of the one part, and the said railway company of the other part, the Secretary of State in Council covenanted with the said railway company for payment out of the revenues of India of interest at the rate of 5 *l.* per cent. per annum during the said determinable term of 99 years on the sum of 250,000 *l.*, to be provided by the said railway company for the purposes of the said Indenture of the 21st day of November 1855, in addition to the said sum of 500,000 *l.*:

And whereas by an Indenture bearing date the 2nd day of February 1859, and made between the Secretary of State in Council of the one part, and the said railway company of the other part, after reciting that the said line of railway from Surat to Baroda was commenced, and that the East India Company, previously to the passing of the said Act of the 21st and 22nd years of Her Majesty, had sanctioned the construction by the said railway company of a junction line of railway from Bombay to Surat, on the terms thereinafter mentioned, at an estimated cost of 1,000,000 *l.* sterling or thereabouts, and agreed to guarantee interest at the rate of 5 *l.* per cent. per annum on the last-mentioned sum, and that it was intended that the railway and other works to be constructed under the said Indenture of the 21st day of November 1855, and the said railway from Bombay to Surat, should be made and maintained as one line of railway and as one undertaking, with one and the same capital and revenue account, and that in order to carry such intention into effect it had been agreed that certain clauses in the Indenture now in recital contained should be in substitution for certain corresponding clauses contained in the said Indenture of the 21st day of November 1855, so as to supersede the last-mentioned clauses, and that the expression "the said line of railway" or "the said line of railway and works," where the same was thereinafter used, was intended to mean the said line of railway from Bombay to Surat, or such line and the works connected therewith, unless where there might be something in the context to show that such expression was used in any different sense; it was, amongst other things, agreed that the said line of railway from Bombay to Surat should be constructed at an estimated cost of 1,000,000 *l.*, and that the land for the same railway should be provided by the Secretary of State in Council, and that upon the completion of the said line of railway from Bombay to Surat, or of any part or parts thereof which should be required by the Secretary of State in Council to be first completed, the land required for the completed line should be leased to the said railway company by the Secretary of State in Council for the term of 99 years from the 1st day of May 1855, determinable as therein mentioned, and that the Secretary of State in Council should, in addition to the interest payable under the said Indentures of the 21st day of November 1855 and the 1st day of February 1859 respectively, pay to the said railway company on the 30th day of June and the 31st day of December during the said determinable term interest at the rate of 5 *l.* per cent. per annum on the said sum of 1,000,000 *l.*, or on such part thereof as should for the time being have been paid by the said railway company as therein mentioned, and that the monies required for the said lines of railway, and the works constructed or to be constructed under the said Indenture of the 21st day of November 1855 and the Indenture now in recital, or otherwise as therein mentioned, in excess of the said several sums of 500,000 *l.*, 250,000 *l.*, and 1,000,000 *l.*, should be raised and paid by the said railway company into the Bank of England to the credit of the account of the Secretary of State in Council, and that the Secretary of State in Council should from time to time during the then residue of the said determinable term of 99 years pay to the said railway company half-yearly, on the days aforesaid, interest on such excess at such rate as should be agreed on. And it was by the 10th clause of the Indenture now in recital provided that the said railway company, and their officers, servants, and agents, as also their accounts and affairs, should in all things be subject to the superintendence and control of the Secretary of State in Council as well in England as elsewhere, and in particular that on byelaws, contracts, orders, directions, proceedings, works, or undertakings, acts, matters, or things whatsoever, should be made, done, entered into, commenced, or prosecuted by or on the part of the said railway company, unless previously sanctioned in writing

writing by the Secretary of State in Council or in some other manner to be prescribed by him, and that no money should be raised by the said railway company by any other means than by calls upon or payments in respect of the shares in the same Company without the sanction of the Secretary of State in Council in writing, and no extension in the number of shares in the said railway company or in the amount of its capital should be made unless sanctioned in like manner; and that it should be lawful for the Secretary of State in Council from time to time to give to the said railway company, their officers, servants, and agents, all such orders and directions as the Secretary of State in Council should from time to time think fit with reference to the railway and works to be made under the same Indenture, and with reference to the manner and times of executing the same, and with reference to any contracts, orders, and directions to be entered into, made, or given with regard thereto, and otherwise with reference to the same, all which contracts, orders, and directions should be executed and followed by the said railway company to the satisfaction of the Secretary of State in Council, the costs and expenses of the same which should have been or should be allowed and sanctioned by the Secretary of State in Council being paid out of the capital of the said railway company as therein mentioned into the Bank of England to the credit of the account of the Secretary of State in Council of India, and that for the better enabling the Secretary of State in Council to exercise the control and discretion intended to be thereby secured, the said railway company were to record and keep in proper books for that purpose full and particular accounts of all their transactions and proceedings, including full and true minutes of all their meetings, meetings of directors, communications with India, and correspondence, so as at all times to exhibit thereby fully and truly the state of their affairs and proceedings, and that the Secretary of State in Council, and any person or persons appointed by them in that behalf, should at all reasonable times have free access to all the books, accounts, papers, and documents of the said railway company (except communications between the said railway company and their legal advisers), and power to make copies of or extracts from the same, whether such books, accounts, papers, and documents related to the line of railway and works therein mentioned, or to any other matters or things whatsoever in which the said railway company should or might be interested; and by the same clause power was given to the Secretary of State in Council to appoint for the purposes aforesaid an *ex officio* director of the said railway company, with such powers as were therein mentioned; and by the 11th clause of the same Indenture now in recital it was provided that all the expenses of the said railway company should from time to time be stated and submitted to the Secretary of State in Council for their sanction and approval, and as between the said railway company and the Secretary of State in Council should be allowed so far only as the same should from time to time have been sanctioned and approved by the Secretary of State in Council. And it was provided that the stipulations contained in the same clause should not interfere with any subsidiary agreement between the said railway company and the Secretary of State in Council, and by the 12th clause of the Indenture now in recital it was provided that the capital account relating to the construction of the lines of railway constructed and to be constructed under the said Indenture of the 21st day of November 1855 and the Indenture now in recital, and the works, conveniencies, and telegraphs thereto respectively belonging, and relating to the original cost of engines and carriages, and the plant and machinery, should be kept by the said railway company, to which account all monies paid by the said railway company, the expenditure of which should have received the sanction and approval of the East India Company or of the Secretary of State in Council, should from time to time be carried; and when and so soon as the said railways and works should have been completed and furnished with the necessary rolling stock and plant, or at any earlier time or times if occasion should require, the said capital account should be made up, and the statement should be furnished to the Secretary of State in Council of the aggregate amount of capital which, according to such account, should by examination of such account be ascertained and certified by the Secretary of State in Council; and from the opening of the said railways respectively, or any part or parts thereof respectively, the cost of maintaining the same, with their respective machinery and stock, in good working

condition, should be payable by the said railway company out of the revenues of the said railway company, including any interest to be received from the Secretary of State in Council; but upon any additions, alterations, or improvements, such as should properly be chargeable to the capital account, being thereafter made with the sanction and approval of the Secretary of State in Council to or in the said railways, or the works, conveniencies, or telegraphs thereto belonging, or the engines, carriages, or other plant and machinery, the cost necessarily incurred in executing such additions, alterations, or improvements should be added to the said capital account; and if it should happen that any liability should be incurred to third persons for consequential damages caused by any works executed by the company under the sanction or authority of the Secretary of State in Council, all expenses necessarily incurred in satisfying the same should be paid by the company and added to the said capital account, and the said capital account was from time to time to be made up and stated afresh as occasion should require, and be ascertained and certified accordingly. And by the 13th clause of the Indenture now in recital it was provided that at all times during the said determinable term of 99 years the said railway company should keep the said line of railway, or so much thereof as should be completed and open for traffic, and the works and conveniencies belonging thereto, and the telegraphs on the railway (if any) in a state of good repair, and in good working condition, to the satisfaction of the Secretary of State in Council, and should keep the same fully provided with rolling stock and plant adequate to the services thereof and to the satisfaction of the Secretary of State in Council. And by the 14th clause of the Indenture now in recital it was provided that the said railway company should, in such forms and under such heads or divisions as should be prescribed by the Secretary of State in Council, keep accounts of all receipts and payments whatsoever in respect of the railways constructed and to be constructed under the said Indenture of the 21st day of November 1855, and the Indenture now in recital (other than such receipts and payments as properly belonged to the capital account thereinbefore agreed to be kept), and such account shall be called the revenue accounts of the Bombay, Baroda, and Central India Railway Company, and should be made up half-yearly to the 30th day of June and the 31st day of December in every year, or to such other days in the year as the Secretary of State in Council should appoint, and should be regularly transmitted to the Secretary of State in Council, who should be at liberty at all times in auditing the same accounts to make any corrections therein which might be necessary. And by the 15th clause of the Indenture now in recital it was provided that all moneys whatsoever (except certain moneys covenanted by the said Indenture of the 21st November 1855, or the Indenture now in recital to be otherwise paid), received by or on account of the said railway company in India, should be paid at such times and in such manner as the Secretary of State in Council should direct, without any deduction under any pretence whatsoever, into the Treasury of the Government at Bombay, to an account to be kept separately, and to be called "The Revenue Account" of the Bombay, Baroda, and Central India Railway Company; and when any money should be required by the said railway company for any purposes sanctioned by the Secretary of State in Council, such money might be drawn by the said railway company according to such arrangements as should from time to time be made with the Secretary of State in Council for that purpose. And by the 19th clause of the Indenture now in recital it was provided, that the said railway company should at all times during the said determinable term, convey on the said lines of railway the Government mails and post-bags, and the guards and other servants of the Post Office in charge thereof, free of charge, and when they were on duty all officers and persons in the administration of the Post Office, also free of charge, and would also convey on the said railways, when they were on duty, the troops, both horse and foot, of Her Majesty, and all other persons to whom the provisions of the Mutiny Acts and Regulations or Acts for the time being in force for the Queen's European and Indian forces respectively should be applicable, and all artizans on the business of the Government, the officers and persons of similar station in life to be entitled to travel in first-class carriages at second-class fares, and the troops and European artizans in second-class carriages at the lowest fares, and all other persons at the lowest fares; and would also convey on the said railways all general stores

belonging to the Government, and all guns, ammunition, horses and other animals used for military purposes, and all military stores, carriages, waggons, camp equipage, and equipments whatsoever, at the lowest rate for the time being chargeable for the carriage of such animals, goods, and merchandize, the several privileges of conveyance and carriage thereby stipulated for being at all times to be used and enjoyed in preference to and priority over the public use of the said lines of railway for conveyance and carriage. And by the 20th clause of the same Indenture now in recital it was provided, that at the end of the said term of 99 years by effluxion of time, the land provided and to be provided in pursuance of the said Indenture of the 21st day of November 1855 and of the Indenture now in recital, with the railways thereon respectively, and all buildings, works, fixed machinery, telegraphs, and conveniencies whatsoever, should revert to and become the property of Her Majesty, for the purposes of the Government of India, free from all debts and charges whatsoever (save such as should have been sanctioned by the East India Company or the Secretary of State in Council), and the said railway company should deliver to the Secretary of State in Council, for the purposes of the Government of India, all plans, drawings, sections, books, printings, writings, drawings, and documents whatsoever in anywise connected with the undertaking and affairs of the said railway company, and the said railway company should sell, and the Secretary of State in Council should purchase on behalf of Her Majesty, for the purposes of the Government of India, all the engines, carriages, stock, machinery, and plant which should then be used in working the said railways, or otherwise in connection therewith respectively, for such sum of money as should be the fair value thereof, the same to be determined in case of difference by a valuation to be made by referees, or their umpire, to be respectively appointed in the usual manner; and the Secretary of State in Council should pay, out of the revenues of India, to the said railway company in London, the sum of money to be so determined within four months after such determination, with interest thereon at the rate of 5 *l.* per cent. per annum from the expiration of the said term of 99 years. And by the 21st clause of the Indenture now in recital it was provided, that after any portions of the said railways constructed and to be constructed under the said Indenture of the 21st day of November 1855, and the Indenture now in recital, should have been finished and in work for three calendar months at least, it should be lawful for the said railway company then or at any time thereafter during the said term of 99 years to give notice in writing of their intention to surrender and relinquish the said railways and works to Her Majesty, for the purposes of the Government of India, on any day to be mentioned in such notice, so that such notice was served at least six calendar months before that day, both on the Secretary of State in Council in London and also on the Secretary of Government at Bombay; and in case of such notice being given, the said railway company should, at the expiration thereof, surrender and relinquish the said railways and works accordingly, together with the telegraphs (if any), and should, with all convenient speed, sell any lands in Great Britain which might then be held by the said railway company for the purpose of their business, and pay the clear monies to be produced by such sale into the Bank of England to the account of the Secretary of State in Council, and should deliver, to the Secretary of State in Council or their agents, on behalf of Her Majesty, for the purposes of the Government of India, the engines, carriages, stock, plant and machinery belonging to the said railways and works respectively, and all plans, surveys, sections, printings, writings, and documents whatsoever connected with the undertaking and affairs of the said railway company, and the premises to be so surrendered and delivered should be thereupon accepted accordingly, it being expressly agreed that the said railways, works, stations, telegraphs, engines, carriages, stock, plant, and machinery should, at the time of such surrender and delivery, be in good working order according to the covenants in that behalf in the said Indenture of the 21st day of November 1855, and the Indenture now in recital respectively contained on the part of the said railway company; and immediately upon such surrender and delivery being made, the Secretary of State in Council should be bound to pay out of the revenues of India to the said railway company the capital expended by the said railway company upon the said railway, works, and premises so to be surrendered and delivered, such expended capital being ascertained and certified

in the manner therein mentioned, together with such parts (if any) of the said capital as should remain in the hands or to the account of the Secretary of State in Council, and to discharge and indemnify the said railway company from all debts and liabilities incurred with the sanction of the East India Company or of the Secretary of State in Council, and thereupon the covenants in the said Indentures of the 21st day of November 1855, the 1st day of February 1859, and the Indenture now in recital contained for payment of interest should cease as from the day upon which the said railways and works were to be accepted, and all claims by the Secretary of State in Council on account of interest on the said railway company should also cease, except that the Secretary of State in Council should be at liberty to retain out of any monies payable to the said railway company the amount of all claims or demands (if any) then existing against the said railway company on their revenue account in respect of their undertaking, and which should not be shown to have been fully satisfied and discharged, until the same should have been shown to have been so satisfied and discharged. And it was provided that the Secretary of State in Council should not be liable to refund any sum expended in the maintenance or working of either of the said lines or any part thereof respectively, after the same should have been opened, which sum was to be provided by the said railway company out of the revenues of the lines and interests as thereinafter provided, or otherwise. And by the 22nd clause of the Indenture now in recital it was provided, that at any time within six calendar months after the expiration of the first 25 years of the said term of 99 years, or at any time within six calendar months after the expiration of the first 50 years of the same term, it should be lawful for the Secretary of State in Council to give notice to the said railway company in London and at Bombay of their intention to purchase on behalf of Her Majesty, for the purposes of the Government of India, the railways and works constructed and to be constructed under the said Indenture of the 21st day of November 1855 and the Indenture now in recital respectively, together with the stations and telegraphs (if any), and the engines, carriages, stock, plant, and machinery belonging to the said railways and works, but subject to such debts and liabilities (if any) as might have been incurred to the East India Company or the Secretary of State in Council (exclusive of any arrears of interest on the capital of the said railway company paid by the East India Company or the Secretary of State in Council under the conditions of the said Indenture of the 21st day of November 1855, and the Indenture now in recital which should not have been repaid), or to any other person or persons with the sanction of the East India Company or the Secretary of State in Council, and to interest on such of the said debts as carried interest from the day on which possession should be taken of the said railways, but not from any earlier time; and thereupon at the half-yearly day next but one following such notice, the land provided or to be provided as aforesaid, with the railways thereon, and all buildings, stations, works, fixed machinery, telegraphs, and conveniences whatsoever, should revert to and become the property of Her Majesty, for the purposes of the Government of India; and in case any lands in Great Britain should then be held by the said railway company for the purpose of their business, the same should be sold and the clear monies to be produced by such sale shall be paid into the Bank of England to the account of the Secretary of State in Council of India, and the said railway company should at the same time deliver to the Secretary of State in Council or their agents, on behalf of Her Majesty, for the purposes of the Government of India, the engines, carriages, stock, plant, and machinery belonging to the said railway and works, and all the plans, surveys, sections, books, printings, drawings, writings, and documents whatsoever in any way connected with the undertakings and affairs of the said railway company, and the Secretary of State in Council should be bound to pay out of the revenues of India in London, on the said half-yearly day for the purchase of all the said premises, a sum equal to the full amount of all the value of all the shares and capital stock in the said railway company then issued or created for raising capital for the purposes of the Indenture of the 21st day of November 1855 and the Indenture now in recital, or of either of the said Indentures, calculated according to the mean market value in London of such shares or stock during the three years immediately preceding the expiration of the said period of 25 years, or the said period of 50 years, as the case might be, and should also be bound to indemnify

indemnify the said railway company against all debts and liabilities (if any) as they might have incurred to or with the sanction of the East India Company or the Secretary of State in Council, and as should be then subsisting, and thereupon the covenants in the said Indentures of the 21st day of November 1855 and the 1st day of February 1859, and thereinbefore contained for payment of interest should cease. And by the 23rd Clause of the same Indenture now in recital it was provided, that if default should be made by the said railway company in the raising and payment of the said sums of 500,000 *l.* and 250,000 *l.*, in pursuance of the said Indentures of the 21st day of November 1855 and the 1st day of February 1859, or of the said sum of 1,000,000 *l.*, or any of the instalments thereof respectively, or such further capital as should be required for the construction of the railways constructed and to be constructed under the said Indenture of the 21st day of November 1855 and the Indenture now in recital, or in the due application of any monies drawn from the Treasury in London or in India, or in the execution of the said railways and works conformably with the covenants in that behalf in the said Indenture of the 21st day of November 1855 and thereinbefore respectively contained, or in case the said railways should not be worked to the satisfaction of the Secretary of State in Council, or in case of any other breach on the part of the said railway company of any of the covenants of the said Indenture of the 21st day of November 1855 and thereinbefore respectively contained, it should be lawful for the Secretary of State in Council, on giving to the said railway company at Bombay three calendar months notice of their intention in that behalf, to terminate the interest of the said railway company in the said land, railways, telegraphs, and works to be taken, constructed, and made under the said Indenture of the 21st day of November 1855 and the Indenture now in recital, and on behalf of Her Majesty, and for the purposes of the Government of India, to assume possession of the said lands, railways, telegraphs, and works respectively, and of all or any of the engines, carriages, stock, plant, and machinery provided for the same, and all plans, surveys, sections, books, printings, drawings, writings, and documents whatsoever in anywise connected with the said lines of railway, and in that case any lands in Great Britain which might then be held by the said railway company for the purposes of their business, should, with all convenient speed, be sold, and the clear money to be produced by such sale should be paid into the Bank of England to the account of the Secretary of State in Council of India, and in case of such notice being given, the Secretary of State in Council should be liable to repay out of the revenues of India, within six calendar months after the expiration of such notice, to the said railway company in London, the capital expended by the said railway company upon the said railway and works, ascertained and certified as thereinbefore was mentioned, after a proper deduction for all debts and liabilities then affecting the said railway company or the property of the said railway company, the money so to be repaid to include so much (if any) of the capital of the said railway company as should then remain in the hands or to the account of the Secretary of State in Council, and also to discharge, exonerate, and indemnify the said railway company from all debts, obligations, and liabilities for the works and expenditure undertaken with the sanction of the East India Company or of the Secretary of State in Council, and thereupon the covenants in the said Indentures of the 21st day of November 1855 and the 1st day of February 1859, and thereinbefore respectively contained for payment of interest should cease, and all claims by the Secretary of State in Council on the said railway company should also cease, the intention of that Indenture for the purposes intended to be provided for by that clause being that the said railway company should under all circumstances receive back their capital expended with such sanction as aforesaid, with interest at the rate or rates agreed or thereafter agreed to be paid on the same, and that such re-entry and assumption of possession and the exercise by the Secretary of State in Council of the powers and authorities by that clause given to them should be the only penalty to which the railway company should be liable in case of default in raising sufficient capital for the purposes of the said Indenture of the 21st day of November 1855 or of the Indenture now in recital, or in constructing and working the said railways and works to the satisfaction of the Secretary of State in Council. And by the 24th clause of the Indenture now in recital it was provided, that if default should be made by the said railway company after the

said lines of railway constructed and to be constructed under the said Indenture of the 21st day of November 1855 and the Indenture now in recital, or any portion thereof, should have been opened, in their covenants to keep the said railways and works, or such part thereof as should have been completed and opened for traffic, in repair and condition for the space of one calendar month next after notice in writing in that behalf from the Secretary of State in Council to the said railway company at Bombay, it should be lawful for the Secretary of State in Council, by their agents, to enter on the said lines of railways and works, and do and execute all such works as might be required for fulfilling the said covenants, and to charge the expenses of the same against the said railway company by setting off the amount of such expenses against any money then payable or which should thereafter become payable for interest under the said Indentures of the 21st day of November 1855 and the 1st day of February 1859 and the Indenture now in recital, which interest should in such case to that extent be respectively considered as paid and satisfied by such set off or retainer, and should for all the purposes of the said Indentures respectively be regarded and considered as interest actually paid to the said railway company in pursuance of the covenants in that behalf in the said Indentures respectively contained; and if such expenses should not be satisfied by such set off and retainer as aforesaid, then the Secretary of State in Council might set off and deduct the same against and from all or any part of any other moneys which should on any account whatever be or become payable by the Secretary of State in Council to the said railway company. And by the 25th clause of the Indenture now in recital it was provided, that in every or any case in which under the provisions of the Indenture now in recital the Secretary of State in Council should, before the expiration of the said term of 99 years, become bound to repay the capital expended by the said railway company upon the said railways, or otherwise to pay for the purchase of the said railway, works, and stock, as the case might be, it should be lawful for the Secretary of State in Council, instead of paying a gross sum of money in respect of the premises, to declare by notice to the said railway company in London their option to pay an annuity, to be reckoned from the time when the gross amount would be payable, and to continue during the residue of the said term of 99 years, and that in that case such annuity should be payable in London on such two half-yearly days in the year as should be selected by the Secretary of State in Council in that behalf, with a fractional part for any broken half-year, the rate of interest which should be used in calculating such annuity being determined by the average rate of interest during the preceding two years received in London upon public obligations of the East India Company or of the Secretary of State in Council, and which should be ascertained by reference to the Governor or Deputy Governor of the Bank of England for the time being; and it was provided that the aforesaid option should not apply to the undrawn portion (if any) of the capital of the said railway company, which portion was to be repaid to the said railway company with interest, under the provisions in that behalf in the said Indenture of the 21st day of November 1855 and hereinbefore respectively contained, in case the said railway company should relinquish or be deprived of the said railways and works as aforesaid. And it was by the 27th clause of the Indenture now in recital provided, that any notice, direction, requisition, certificate of opinion, approval, or sanction to be given or signified on the part of the Secretary of State in Council for any of the purposes of the Indenture now in recital should be sufficient and binding if signed by the Secretary of State for India or one of his Under Secretaries of State, or any three members of the Council of India, or by the Secretary of the Government at Bombay, or by any officer or servant of the Secretary of State in Council duly authorised to act on behalf of the Secretary of State in Council in respect of the matters to which the same should relate, and that the Secretary of State in Council should not in any case be bound in respect to the matters aforesaid, unless by some writing signed in the manner before mentioned. And it was by the 28th clause of the Indenture now in recital provided that the said railway company should keep an office of the said railway company at all times thereafter during the said term established in Bombay, or such other place or places in India as should be agreed upon between the Secretary of State in Council and the said railway company; and the said railway company should keep at the said office an authorised agent or agents with whom

whom the Secretary of State in Council and the Government of India might communicate on affairs concerning the said railway; and all drafts drawn by the said agent or agents, and all receipts of and acts done by such agent or agents on behalf of the said railway company, or concerning the said railway, works, and stock, should be binding on the said railway company, and every notice to be given to the said railway company should be sufficiently given if left at the said office or personally served on such agent or agents. And it was by the 29th clause of the Indenture now in recital provided, that the Secretary of State in Council should promote the passing by the Governor General of India in Council of any Act or Acts which should be necessary or convenient for enabling the said railway company to fulfil in India the objects of the undertaking according to the terms and conditions of the Indenture now in recital:

And whereas by the said Act of Parliament of the 22nd and 23rd years of Her Majesty the said Act of the 18th and 19th years of Her Majesty was repealed; and it was provided that notwithstanding such repeal the said railway company should be and continue, as from the time of the original incorporation thereof, incorporated by the name of "The Bombay, Baroda, and Central India Railway Company," with power to make, maintain, regulate, work, and use the railway then being constructed under the provisions of the said Indentures of the 21st day of November 1855 and the 2nd day of February 1859, and any other railways by the Act now in recital authorised to be made and maintained. And it was thereby also provided that the hereinbefore recited Indenture should remain in force, and that the said railway company might from time to time negotiate for, conclude, and enter into with the Secretary of State in Council, and carry into effect, contracts and agreements with respect to all or any of the matters therein particularly mentioned, which included powers to make and enter into all the agreements and stipulations hereinafter contained:

And whereas divers sums of money in addition to the sums so as aforesaid authorised to be raised have at different times under different contracts been raised by the said railway company, with the sanction of the Secretary of State in Council, for the purposes of their undertaking, by the issue of shares and on loan, and the total amount of the capital authorised to be raised by shares is the sum of 5,650,000 *l.*, and the total amount authorised to be so raised on loan or by loan convertible into shares is the sum of 1,850,000 *l.*:

And whereas both the said lines from Surat to Baroda and from Bombay to Surat have been completed and opened:

And whereas the Secretary of State in Council some time since authorised the extension of the railway from Ahmedabad to the other side of the Suburmattee River as part of the undertaking of the Company, and to be made with capital authorised for the general undertaking, and such line has been completed and opened for traffic:

And whereas the Secretary of State in Council has agreed to co-operate with the said railway company in the construction of an extension line of railway, to commence at or near Ahmedabad, and to proceed to Veerumgaum and Wadwan. And it was on the treaty for such co-operation agreed that the existing arrangements between the Secretary of State in Council and the said railway company for the application of the net receipts of their railways should be altered in the manner hereinafter appearing, and that the Secretary of State in Council should relinquish, in manner hereinafter appearing, his power under the said existing contracts of purchasing the said railways and works at the expiration of the first 25 years of the said term of 99 years:

And whereas the said railway company has, with the sanction of the Secretary of State in Council, issued 30,000 shares of the nominal amount of 20 *l.* each, equivalent to the sum of 600,000 *l.*, at a premium of 12 *s.* for each such share, and has paid such premium, amounting to the sum of 18,000 *l.*, into the Bank of England to the credit of the Secretary of State in Council, which said sum of 18,000 *l.* is intended to be called unguaranteed capital, and is not intended to carry interest:

And whereas the covenants hereinafter entered into on the part of the Secretary of State in Council are entered into with the concurrence of a majority of votes at a meeting of the Council of India:

NOW THIS INDENTURE WITNESSETH, That the said railway company do hereby, for themselves and their successors (so far as the covenants and agree-

ments hereinafter contained or referred to are to be observed and performed by them), covenant with the Secretary of State in Council, and the Secretary of State in Council doth hereby (so far as the covenants and agreements hereinafter contained or referred to are to be observed and performed by the Secretary of State in Council for the time being), covenant with the said railway company and their successors in manner following; (that is to say),

Selection of line.

1. That it shall be lawful for the Secretary of State in Council to determine, fix upon, and select the route and direction of a line of railway to commence at or near the River Suburmuttee, and to proceed to Veerumgaum and Wadwan, with a view to form a junction with the said line from Bombay to the Suburmuttee river, and that such selected line of railway, of the estimated cost in the whole of 618,000 *l.* sterling or thereabouts, shall be completed by the said railway company and opened for the conveyance of passengers and goods with all practicable speed.

Notice of line.

2. That the Secretary of State in Council shall give notice to the said railway company of the line when so selected as aforesaid, or of any part or parts thereof, as such part or parts shall from time to time be fixed upon, and it shall be lawful for the Secretary of State in Council from time to time to alter the said route or direction, or to extend or limit the same, as he shall think fit, after such notice as aforesaid: Provided always, that if such alteration shall be made after the railway shall have been commenced in a previously selected route or direction, the expense of such railway and the expense in any way incidental to such alteration shall be considered as properly incurred by the said railway company.

Land.

3. That the Secretary of State in Council shall, after the selection of the route and direction of the said extension line, or any part or parts thereof, and from time to time as may be nesessary, provide the land which shall be required for the same line of railway, or for the part or parts thereof so selected, and for proper stations, offices, warehouses, fixed machinery, and other works and conveniences as mentioned in the next clause hereof, and shall give to the said railway company possession thereof, and that all land of which possession shall be so given to the said railway company which shall not be permanently required for the purposes of the said railway company shall as soon as practicable be restored by them.

Works.

4. That the said railway company shall, on receiving possession of the same land, or any part thereof, forthwith and subject to the supervision and control hereinafter prescribed or referred to, commence and proceed with diligence in the construction of the said extension line, and of all such stations, offices, warehouses, fixed machinery, and other works and conveniences, as in the opinion of the Secretary of State in Council (such opinion to be certified in writing) shall be necessary or expedient, as well with reference to the construction of such line and the working thereof, as with reference to the permanent making thereof and its protection from injury or destruction by inundation, tempests, or other causes whatsoever, and such line shall be made at such gradients, and shall be furnished with rails of such weight and strength, and laid down and secured in such manner, and shall consist either of a single or double line of railway, as the Secretary of State in Council shall in writing direct. And shall, if required by the Secretary of State in Council, and at such time or times as the Secretary of State in Council shall in writing require, be provided with an electric telegraph constructed along all or such part or parts of the said extension line, and upon such principle and under such regulations, as to its use and the terms of its use, as the Secretary of State in Council shall in writing direct or approve of. And the said railway company shall from time to time attend to, execute, and perform all such directions in writing as may from time to time be given by the Secretary of State in Council, for any deviations from or alterations in any directions or requisitions previously made or given with respect to the premises, and the said railway company shall, so soon as such extension line shall be completed for such a distance as in the opinion of the Secretary of State in Council shall be desirable, open the same for the conveyance of passengers and goods.

Opening.

5. That it shall be lawful for the Secretary of State in Council from time to time, by notice in writing to the said railway company, to require any specified

part

part or parts of the said extension line to be completed as aforesaid, and to be opened for the conveyance of passengers and goods before the remaining part or parts thereof shall be constructed, and such requisitions shall be complied with and fulfilled by the said railway company.

Money capital.

6. That the said railway company shall pay into the Bank of England, to the credit of the account of the Secretary of State in Council of India, such sums of money as shall make up the sum of 600,000 *l.*, by such instalments and at such times as the Secretary of State in Council may require, having regard to the amount of uncalled-up capital then available for that purpose, and also that no such instalment shall be required to be paid without an interval of at least two calendar months from the payment of the last preceding instalment, and such payments may be made in sums of not less than 5,000 *l.* each in London: Provided also, that if the said railway company shall receive any portion of their capital already subscribed or hereafter to be subscribed in India, it shall be lawful for them to pay the amount so received in sums of not less than 5,000 rupees into the Treasury at Bombay in or towards satisfaction of the instalments aforesaid, and the acknowledgment of such respective payments there shall, when produced to the Secretary of State in Council in London, be considered and taken in part satisfaction and as made on the days of payment thereof respectively of the said sum of 600,000 *l.*, at the exchange of 1 *s.* 10 *d.* for each company's rupee: Provided always, that such payments into the Treasury at Bombay shall never exceed the amount which may from time to time be required for expenditure in India, such limit being determined upon by the Secretary of State in Council.

Drafts on capital.

7. That as often as and when any money shall be required by the said railway company for any works or purposes which shall have been sanctioned by the Secretary of State in Council, and which are about to be executed or in course of execution, or have already been performed to the satisfaction of the Secretary of State in Council, such moneys may be drawn in such sums as shall from time to time be necessary by the said railway company in London, or their authorised agent in India hereinafter mentioned, from the Treasury of the Secretary of State in Council or of the Government of Bombay, according to such arrangements as shall be made from time to time with the Secretary of State in Council for that purpose, but ten days' notice of every such draft or proposed draft shall be given to the said treasuries respectively, and all sums of money which shall be so drawn at Bombay shall be set off at the exchange of 1 *s.* 10 *d.* for each company's rupee against the moneys which for the time being shall have been paid into the treasury of the Secretary of State in Council or into the Bank of England to the credit of the Secretary of State in Council of India; and the said railway company shall not in any case be entitled to draw on the treasury in London or at Bombay to an extent greater than the balance in their favour for the time being.

Plant, fares, and tolls.

8. That when and so soon as the said extension line, or any part or parts of the said railway which shall have been required by the Secretary of State in Council to be completed before the construction of the other parts, shall be completed and ready to be opened for the use of the public, and so from time to time as any such part thereof shall be so completed and ready to be opened, the said railway company will, subject to the supervision and control hereinafter mentioned or referred to, provide to the satisfaction of the Secretary of State in Council a good and sufficient working stock of engines, carriages, and other plant and machinery for working such line, or such part or parts thereof as shall have been completed as aforesaid, and carrying on the business and traffic of the same. And the said railway company will forthwith commence and carry on the business of common carriers of goods and passengers upon such line, or such part or parts thereof as aforesaid, and for that purpose shall cause to be run on the same so many trains, at such times, and at such rates of speed, and between such places, and with such conveniences and accommodations as the Secretary of State in Council shall from time to time require; and the said railway company will allow the use of the same to the public, on such terms as shall be approved by the Secretary of State in Council; and the said railway company shall be authorised to charge such fares for the carriage of passengers and goods, and such rates for telegrams, and such tolls as shall have

have been approved by the Secretary of State in Council, and shall not in any case charge any higher or different fares, rates, or tolls whatsoever without such approval being first obtained; but the fares, rates, or tolls to be taken under under these presents shall, when such net receipts as are hereinafter mentioned, shall in any year have exceeded 10 per cent. upon the whole outlay, be reduced in accordance with any requisition of the Secretary of State in Council in that behalf, but only with a view of limiting the said fares, rates, and tolls, so far that the net receipts shall not exceed 10 per cent. as aforesaid.

Title to land.

9. That upon the completion of the said extension line, or of any part or parts thereof which shall have been required by the Secretary of State in Council to be completed before the construction of the remaining part, the Secretary of State in Council will grant or procure to be granted to the said railway company a lease of, or otherwise secure to them a right and title to the land which shall have been provided under the provisions hereinbefore contained, or of so much thereof as shall be required for the completed line, and for the works and conveniences thereto belonging, for a term of 99 years, commencing from the 1st day of May 1855, unless the same shall be determined under the provisions herein mentioned or referred to; and the Secretary of State in Council shall guarantee to the said railway company the right to and possession of such land as against any claimant, but shall not be called upon to show any title thereto.

Time within which the line is to be completed.

10. That the Secretary of State in Council may from time to time during the construction of the said extension line give to the said railway company, their officers, servants, and agents, all such orders and directions as the Secretary of State in Council shall think fit with reference to the time, cost, and manner within, at, and in which the said extension line and the works connected therewith, or any part thereof, shall be constructed, carried on, and completed, and the said railway company will strictly comply with, execute, and perform all such orders and directions.

Capital account during construction.

11. That during the construction of the said extension line the capital account relating to the construction thereof, and of the works, conveniences, and telegraphs thereto belonging, and relating to the original cost of engines and carriages, and the plant and machinery, shall be kept by the said railway company, to which account all moneys paid by the said railway company (the expenditure of which shall have received the sanction and approval of the Secretary of State in Council) shall from time to time be carried; and when and so soon as the said extension line shall have been completed and furnished with the necessary rolling stock and plant, or at any earlier time or times, if occasion shall require, the said capital account shall be made up, and a statement shall be furnished to the Secretary of State in Council of the aggregate amount of capital which, according to such account, shall have been expended, and such amount shall, by examination of such account, be ascertained and certified by the Secretary of State in Council.

Revenue during construction.

12. That all monies whatsoever received by the said railway company from the said extension line shall be paid and applied in the same manner as is directed by the said 15th clause of the said Indenture of the 2nd day of February 1859.

Guarantee of interest.

13. That in addition to the interest now payable or hereafter to be payable by the Secretary of State in Council on the capital of the said company, the Secretary of State in Council will from time to time, during the said determinable term of 99 years, pay to the said railway company in London half-yearly, on the 30th day of June and the 31st day of December in every year, interest at the rate of five per cent. per annum, on the said sum of 600,000 *l.* to be raised as aforesaid, or on such part thereof as shall for the time being have been paid in London or Bombay as aforesaid, such interest upon any part of the said sum being considered in the first instance as running from the day on which the same part shall have been so paid.

Unguaranteed capital.

14. That the Secretary of State in Council shall not pay or guarantee any interest upon the said sum of 18,000 *l.*, being the aggregate amount of the premiums paid for the said 30,000 shares as aforesaid, nor upon any further amount

amount that may be raised as unguaranteed capital under the next succeeding clause; but the said sum of 18,000 *l.*, together with any such addition thereto as aforesaid, shall in all other respects be treated as capital, and be applicable for all the purposes for which the said sum of 600,000 *l.* upon which interest is hereby covenanted to be paid is or shall be applicable.

Excess above 618,000 *l.*

15. That if the expenditure of the said railway company in making the said extension line or otherwise in respect of the matters to be included in the said capital account shall exceed the said sum of 600,000 *l.* plus 18,000 *l.*, the amount of premiums or unguaranteed capital, the monies necessary to meet such excess shall be raised and paid by the said railway company into the Bank of England, to the credit of the account of the Secretary of State in Council of India, and the Secretary of State in Council shall from time to time, during the then residue of the said determinable term of 99 years, pay to the said railway company half-yearly, on the days aforesaid, interest on such monies, except so much thereof as shall be raised by unguaranteed capital, if any such there be, at such rate as shall be agreed upon, to be calculated from the respective times when they shall have been so paid as aforesaid.

Return of surplus over capital required for extension line.

16. That if after the said extension line and works, including the telegraphs, if required, shall have been completed and furnished with adequate working stock, the whole of the said sums of 600,000 *l.* and 18,000 *l.* raised by the said railway company for the said extension line shall not have been required, the surplus thereof, including such a proportion of the sum which shall then be standing to the account of unguaranteed capital as the sum of 18,000 *l.* bears to the sum of 600,000 *l.*, or in case additional capital beyond the aforesaid sums of 600,000 *l.* and 18,000 *l.* shall have been raised for that purpose, the surplus of the last issue of capital so raised, including such a proportion of the unguaranteed capital (if any) raised in connection with such last raised capital, and which shall be unexpended, as the whole amount of the guaranteed capital so last raised shall bear to the whole amount of the unguaranteed capital so last raised as aforesaid, shall, to the extent to which the same respectively shall have been received by the Secretary of State in Council, be refunded by the Secretary of State in Council to the said railway company in London, with such interest as shall be due on the guaranteed capital at the time, and thereupon the aforesaid covenant for payment of interest shall no longer apply to the guaranteed capital which shall have been so refunded.

Power of re-entry on extension line during construction.

17. That if at any time the said railway company shall fail, either as regards time, cost, or any other circumstance or thing, in constructing or in carrying on to completion the said extension line, and the works connected therewith, to the entire satisfaction of the Secretary of State in Council, and conformably in all respects with the orders and directions to be given for that purpose by the Secretary of State in Council as hereinbefore is mentioned, then and in such case it shall be lawful for the Secretary of State in Council, or some officer authorised by him, on giving to the said railway company at Bombay, or other the place of their office in India, three calendar months' notice of his intention in that behalf, to terminate the interest of the said railway company in the said extension line, and the lands and works connected therewith, and on behalf of Her Majesty, and for the purposes of the Government of India, to assume possession of the same land and works, and of all or any of the engines, carriages, stock, plant, and machinery specially provided for the same, or belonging thereto; and all plans, surveys, sections, books, printings, drawings, writings, and documents whatsoever in anywise solely provided for the same extension line or relating thereto; and in such case the Secretary of State in Council shall be liable to repay out of the revenues of India, within six calendar months after the expiration of such notice, to the said railway company in London, the capital expended by the said railway company upon the said line and works, ascertained and certified as hereinbefore is mentioned, after a proper deduction for all debts and liabilities then affecting the said railway company in respect of the said extension line, the money so to be repaid to include so much (if any) of the capital of the said railway company raised for the purposes of the said extension line as shall then remain in the hands or to the account of the Secretary of State in Council, and also to discharge, exonerate,

and indemnify the said railway company from all debts, obligations, and liabilities for the works and expenditure undertaken with the sanction of the Secretary of State in Council, in respect of the said extension line; and thereupon the covenants hereinbefore contained for payment of interest shall cease, and all claims by the Secretary of State in Council on the said railway company in respect of the said extension line shall also cease, the intention of this Indenture for the purposes intended to be provided by this clause being that the said railway company shall under all circumstances receive back their capital expended with such sanction as aforesaid on the said extension line, with interest on such portion of the capital as is intended to carry interest, at the rate or rates agreed or hereafter agreed to be paid on the same, and that such re-entry and assumption of possession of the said extension line, and the exercise by the Secretary of State in Council of the powers and authorities by this clause given to him, shall be the only penalty to which the said railway company shall be liable in case of default in constructing the said extension line to the satisfaction of the Secretary of State in Council: Provided always, and it is hereby expressly declared, that nothing in this clause contained shall in anywise prejudice or affect the power of re-entry by the said Indentures of the 21st day of November 1855 and the 2nd day of February 1859 given to the Secretary of State in Council on the said original lines of railway on such default being made by the said railway company as is therein mentioned.

Repayment of capital.

18. That if the Secretary of State in Council shall under the clause last hereinbefore contained become bound to repay the capital expended by the said railway company upon the said extension line and works, it shall be lawful for the Secretary of State in Council, instead of paying a gross sum of money in respect of the premises, to declare by notice to the said railway company in London his option to pay an annuity, to be reckoned from the time when the gross amount would be payable, and to continue during the residue of the term of 99 years hereby agreed to be granted; and in that case such annuity shall be payable in London on such two half-yearly days in the year as shall be selected by the Secretary of State in Council in that behalf, with a fractional part for any broken half-year, the rate of interest which shall be used in calculating such annuity being determined by the average rate of interest during the preceding two years received in London on public obligations of the East India Company or the Secretary of State in Council, and which shall be ascertained by reference to the Governor or Deputy Governor of the Bank of England for the time being.

Recital clauses of Indentures of 21st November 1855 and 2nd February 1859, except 20, 21, and 22, to apply to extension line till completion.

19. That besides the clauses hereinbefore contained which relate to the said extension line during its construction, all the clauses contained in the said Indentures of the 21st November 1855, and the 2nd day of February 1859, which are hereinbefore set forth, except the 20th, 21st, and 22nd Clauses, shall apply to the said extension line until its completion, or until the earlier determination of this contract under Clause 17 of these presents; and all such clauses, except as aforesaid, shall during such period be abided by and observed by the Secretary of State in Council and the said railway company, and take effect as to the said extension line and its capital and incidents, just as if such extension line and its capital and incidents had, *mutatis mutandis*, been part of the line agreed to be constructed under the last-mentioned Indenture, and of its capital and incidents: Provided always, that in case of default by the said railway company in the execution of the railway and works as mentioned in the 23rd Clause of the same Indenture, the Secretary of State in Council shall not have power to terminate the interest of the said railway company in all their undertaking as provided by the last-mentioned clause, but only in the said extension line as provided by the clause last hereinbefore contained; but the said 23rd Clause shall in all other respects during such period as aforesaid apply to and have effect as to the said extension line in the manner hereinbefore provided; and that when and so soon as the said extension line shall have been opened for public traffic, with the sanction of the Secretary of State in Council, then and thenceforth the said original lines and the said extension line shall be treated and considered as one undertaking, with the same capital and incidents, and then and thenceforth all the clauses of the said Indenture of the 2nd day of February

February 1859 which shall apply to the said original lines, and every other contract and stipulation between the Secretary of State in Council and the said railway company which shall then relate to or affect the same lines, shall apply to and have effect as to the said extension line and works hereby agreed to be made, and as if such extension line were part of the said original lines, and Clauses 10, 11, and 17 of these presents shall thereupon cease to have any operation for any purpose whatsoever: Provided always, that nothing in this clause contained shall in any way alter or affect the rate of interest payable by the Secretary of State in Council, or the capital raised for the said extension line.

Clause altering prior contracts as to net receipts.

20. That henceforth during the said determinable term of 99 years the whole net receipts which shall be realised during any half-year from all railways and works belonging to the said railway company, including the railway and works to be constructed in pursuance of these presents, or from any of them, or any part thereof respectively, after deducting all sums which shall have been expended in the repairs and maintenance of the said railways and works, and the repairs and restoration of the rolling stock and plant belonging thereto, and the management and conduct of the company and its affairs, and which shall have been allowed or sanctioned by the Secretary of State in Council, and also deducting such sums (if any) as with the consent of the Secretary of State in Council may have been appropriated and set apart for repairing, restoring, and making good any deterioration of the said railways and works, or stock and plant, and for the current expenses of working the said railways, the money (if any) to be so appropriated and set apart as a reserved fund, or any part thereof, being invested and accumulated or otherwise dealt with till required for application in any manner the said railway company may think fit, subject to the sanction and approval of the Secretary of State in Council, shall be applied in the first place in or towards discharge of the interest which shall be payable by the Secretary of State in Council under the covenants for that purpose contained in the hereinbefore recited Indentures in respect of such half-year, so as to exonerate the Secretary of State in Council, so far as the same net receipts will extend, from the payment of such interest, the money to be so applied being reckoned at the exchange of 1 *s.* 10 *d.* per company's rupee, and the residue (if any) of such net receipts shall be applied in manner following (that is to say), one moiety or half part thereof shall be forthwith paid to the Secretary of State in Council as part of the revenues of India, and the other moiety or half part of the said surplus net receipts shall be paid to or applied for the use and benefit of the said railway company: Provided always, that the provision hereinbefore made for the application of the said residuary or surplus net receipts shall henceforth be substituted for and supersede every provision as to the application of the residuary or surplus net receipts contained in the hereinbefore recited Indentures or in any contract now subsisting between the Secretary of State in Council and the said railway company, and every such provision as last aforesaid shall, from the date of these presents, cease to have any effect. And further, that the Secretary of State in Council shall, except as provided by this present clause, cease to be entitled to be repaid under any circumstances whatsoever any part of the money which he may have paid or may hereafter pay to the said railway company for interest on money paid or payable by him under any of the aforesaid Indentures or these presents.

Relinquishment of power of Government to purchase the railway and works after first 25 years.

21. That the Secretary of State in Council will not exercise the powers vested in him under the said Indentures of the 21st day of November 1855 and the 2nd day of February 1859, or either of such Indentures, of purchasing the said railways and works within six calendar months after the expiration of the first 25 years of the said term of 99 years by the same Indentures respectively agreed to be granted, but will relinquish and give up such powers.

Covenant and provisions of previous Indentures not rescinded.

22. That all the covenants and provisions of the said Indentures of the 21st day of November 1855 and the 2nd day of February 1859 respectively, so far as the same are subsisting and capable of taking effect, and are not rescinded or modified by Clauses 20 and 21 hereinbefore contained, and in particular the powers of the Secretary of State in Council to purchase the said railways and works at any

any time within six calendar months after the expiration of the first 50 years of the said term, shall remain in full force and have effect as if these presents had not been executed.

In witness whereof Sir Henry Rawlinson, K.C.B., and Sir James Weir Hogg, Baronet, being two Members of the Council of India, have set their hands and seals, and the said Railway Company have caused their common seal to be affixed, the day and year first above written.

Signed, sealed, and delivered by Sir Henry Rawlinson and Sir James Weir Hogg, being two Members of the Council of India, in the presence of

Robt. Wickenden,
Drapers' Hall, London.

H. Rawlinson. Seal.

J. W. Hogg. Seal.

The Common Seal of the Bombay, Baroda, and Central India Railway Company was hereto affixed, in the presence of

T. T. French, Chairman.

J. A. Baynes, Secretary.

Seal of the Company.

CONTRACT between the SECRETARY of STATE for INDIA in Council and the GREAT SOUTHERN of INDIA RAILWAY COMPANY, dated 12th March 1872.

THIS INDENTURE, made the 12th day of March 1872, between the SECRETARY of STATE in COUNCIL of the one part, and the GREAT SOUTHERN of INDIA RAILWAY COMPANY, incorporated by "The Great Southern of India Railway Act, 1858," which Act has been amended by "The Great Southern of India Railway Amendment Act, 1860" (herein-"after called the Company"), of the other part.

WHEREAS the company were incorporated by the first-mentioned Act of Parliament, with a capital of 1,000,000 *l.*, for the purpose of affording railway communication to the provinces of Southern India and such other places as they might from time to time determine, by constructing, maintaining, and working railways, and by the performance of all other matters and things incidental or conducive thereto. And by the said Act the company were empowered from time to time to enter into and conclude with the East India Company on account of the Government of India, and to carry into effect such contracts, agreements, and arrangements as the respective parties might think fit and agree upon, for or connected with, or incident to, or respecting all or any or either of the objects and purposes aforesaid; and the said capital was subject to increase by an amount not exceeding 2,000,000 *l.* sterling, for carrying into effect any contract or agreement with the East India Company, by the creation of new or additional shares:

And whereas by an Indenture dated the 1st day of September 1858, and made between the East India Company of the one part, and the company of the other part, it was, amongst other things, agreed that the company should construct and open a line of railway to commence at Negapatam and to proceed to Trichinopoly, the sum raised or to be raised by the company in the first instance as capital being 1,000,000 *l.* sterling, and that the land required for the purpose of the said railway should be provided by the East India Company, and that upon the completion of the said line of railway, or of any part or parts thereof

thereof required by the East India Company to be first completed, the land required for the completed line and for the works and conveniences thereto belonging, should be leased to the company by the East India Company for the term of 99 years from the 1st day of May 1858, determinable by surrender or purchase or re-entry, as in the said Indenture mentioned, and that the East India Company should pay to the Company in London half-yearly during the said determinable term interest at the rate of 5 *l.* per centum per annum on the said sum of 1,000,000 *l.* sterling, or on such part thereof as should for the time being have been paid as therein mentioned by the company to the East India Company, and that the monies required for the said railway and works, or otherwise as therein mentioned, in excess of the said sum of 1,000,000 *l.* sterling, should be raised and paid by the company to the East India Company, and that the East India Company should from time to time during the then residue of the said determinable term of 99 years, pay to the company half-yearly interest on such excess at such rate as might be mutually agreed upon. And it was by the Indenture now in recital provided, that so soon as the company should begin to work the said line of railway, or any part thereof, and the telegraph (if any), and thenceforth during the said determinable term of 99 years, the net receipts which should be realised during any half year, or from the commencement up to the first of the half-yearly days therein mentioned, on the said line of railway or on any part thereof, after making such deductions as were therein mentioned, should be applied in the first place in or towards discharge of the interest which should be payable by the East India Company under the covenants in that behalf therein contained in respect of the said half year, so as to exonerate the East India Company, so far as the same net receipts would extend, from the payment of such interest, and the residue (if any) of such net receipts should be applied as follows: namely, one moiety thereof in the repayment of such sums of money as should at any previous time or times have been paid by the East India Company to the company under the covenants therein contained by way of interest, together with simple interest on such sums of money at the same rate per cent. per annum as the rate of interest which should have been so paid, and such moiety should be paid into the Treasury of the East India Company at Madras, and should be applied in reduction and discharge of the whole of the interest payable to the East India Company on the said sums of money before the same should be applied in liquidation of any part of the principal thereof, and the other moiety of the said surplus net receipts should be paid to or applied for the use and benefit of the company. And if at any time during the said determinable term of 99 years the whole of the monies previously paid by the East India Company as aforesaid, with interest thereon as aforesaid, should have been repaid and discharged, then for every half year during such time and so often as the same should happen the company should be entitled for their own use and benefit to the entirety of the said surplus net receipts (as the case might be) to so much thereof as should remain after such repayment and discharge as last aforesaid should have been made:

And whereas by an Indenture dated the 14th day of February 1860, and made between the Secretary of State in Council (to whom by virtue of the Act for the better Government of India (21 & 22 Vict. c. 106) the rights and liabilities of the East India Company under the said contract had been transferred) of the one part, and the company of the other part, it was expressly declared and agreed that the sum of 500,000 *l.* sterling should be substituted for the sum of 1,000,000 *l.* sterling, wheresoever the said last-mentioned sum occurred in the hereinbefore recited Indenture, and that the several covenants, clauses, and provisions of the same Indenture should be construed and take effect as if the said sum of 500,000 *l.* had been originally inserted in the same Indenture in lieu of the said sum of 1,000,000 *l.*:

And whereas by the "Great Southern of India Railway Amendment Act, 1860," the company was empowered to borrow such sums on mortgage on the security of their undertaking as therein mentioned, and also from time to time with the sanction of the Secretary of State in Council, and of such number of votes of the shareholders as therein mentioned, to raise by the creation and issue of debenture stock, under the powers but subject to the restrictions of that Act, any sums not exceeding the amount which they were by that Act authorised to borrow, in lieu of borrowing or re-borrowing the same, and in order to pay off monies theretofore borrowed by them under the powers of that Act. And sub-

ject to the provisions of the same Act the company were empowered, with the like sanction of the Secretary of State in Council and of the shareholders, to attach to any such debenture stock, before the issue thereof, any guaranteed interest or dividend, not exceeding 5 per cent. per annum, as to the company should seem fit:

And whereas the company, with the sanction of the Secretary of State in Council, raised the several sums of 90,000 *l.*, 50,000 *l.*, and 26,000 *l.*, making together the sum of 166,000 *l.*, on loan upon mortgages convertible into shares, upon which interest at the rate of 5 *l.* per cent. per annum was guaranteed by the Secretary of State in Council. And by three several Indentures bearing date respectively the 23rd day of August 1860, the 20th day of November 1861, and the 7th day of February 1863, and respectively made between the Secretary of State in Council of the one part, and the company of the other part, the Secretary of State in Council entered into covenants for payment of the principal monies and interest secured by the said mortgages, and for payment of interest at the rate aforesaid on the capital of the company represented by additional shares issued in exchange for the said mortgages as aforesaid:

And whereas by an Indenture dated the 21st day of April 1864, and made between the Secretary of State in Council of the one part, and the company of the other part, it was, amongst other things, agreed that the company should construct a line of railway from the terminus of the said line of Trichinopoly to or near to Errode, the capital raised or to be raised by the company for the purposes of the same Indenture being the sum of 350,000 *l.*, and that the Secretary of State in Council should guarantee interest at the rate of 4 *l.* 15 *s.* per cent. per annum on the said sum of 350,000 *l.*, or on such part thereof as should for the time being have been paid by the company as therein mentioned, and that the land required for the purpose of the same railway should be provided by the Secretary of State in Council, and that upon the completion of the same railway, or of any part thereof which should be required by the Secretary of State in Council to be first completed, the land required for the completed line should be leased to the company by the Secretary of State in Council for 99 years from the date of the Indenture now in recital, determinable by surrender or purchase or re-entry, as in the Indenture now in recital mentioned, the provisions in such Indenture being in most respects, *mutatis mutandis*, similar to the provisions contained in the first hereinbefore recited Indenture; and in order to carry into effect the intention in the Indenture now in recital expressed, that the said two railways should be made and maintained as one undertaking, with one and the same capital and revenue account, it was by the Indenture now in recital declared that certain of the clauses contained in the first hereinbefore recited Indenture should be superseded by certain clauses contained in the Indenture now in recital:

And whereas by an Indenture bearing even date with the last hereinbefore recited Indenture, and made between the Secretary of State in Council of the one part, and the company of the other part, the Secretary of State in Council guaranteed the payment of a further sum of 150,000 *l.*, with interest at the rate of 4 *l.* 10 *s.* per cent. per annum, which sum was to be raised on mortgages of the company not convertible into shares;

And whereas by a letter to the secretary of the company, dated the 15th day of March 1866, the Secretary of State in Council sanctioned the raising of 50,000 *l.*, with interest at the rate of 5 per cent. per annum, on mortgages of the company convertible into stock, the same sum of 50,000 *l.* constituting the part of the said sum of 150,000 *l.* which had not then been raised:

And whereas the Secretary of State in Council, by a letter to the secretary of the company, dated the 15th day of April 1867, sanctioned the raising by the company of an additional sum of 200,000 *l.*, at interest at the rate of 5 *l.* per cent. per annum, by the issue of shares:

And whereas both the said lines of railway agreed to be constructed under the said indentures of the 1st day of September 1858 and the 21st day of April 1864 respectively, have been constructed and opened, and the whole of the capital as aforesaid agreed to be raised by the company has been raised, the capital of the company being, on the 19th day of August 1871, the sum of 1,221,400 *l.*, of which sum the sum of 1,131,500 *l.* was raised by the issue of shares and stock and conversion of bonds, and the sum of 89,900 *l.* was raised on loan:

And whereas the Secretary of State in Council has lately sanctioned the construction by the company, on the terms hereinafter mentioned, of an extension line of railway to commence at Trichinopoly and to proceed to Tuticorin and Tinnevelly, and he has agreed to guarantee interest at the rates hereinafter mentioned on the sum of 1,600,000 *l.*, to be raised in the manner hereinafter mentioned, for the purposes of the said extension line:

And whereas it is intended that the said railways from Negapatam to Trichinopoly, and from Trichinopoly to, at, or near Errode, and the said railway, from some point on the existing railway to be hereafter settled to the port of Tuticorin, to be constructed as aforesaid, shall be and be maintained as one and the same undertaking, with one and the same capital and revenue account, and that the provisions of these presents, as altered and varied from the provisions of the hereinbefore recited Indentures of the 1st day of September 1858 and the 21st day of April 1864 shall, so far as the same can apply, henceforth apply to regulate and govern all the undertakings of the company, and that the provisions of the last-mentioned indenture shall, where the same are inconsistent with or repugnant to the provisions of these presents, cease to have effect, but so as not to alter, prejudice, or effect any guarantee by the Secretary of State in Council of interest or capital raised with his sanction as aforesaid:

And whereas the covenants hereinafter contained on the part of the Secretary of State in Council are entered into with the concurrence of a majority of votes at a meeting of the Council of India:

And whereas it is intended that whenever the words "the original lines" are used in these presents they shall mean the said railways from Negapatam to Trichinopoly and from Trichinopoly to Errode, and the works connected therewith respectively, and that wherever the words "the extension line" are used in these presents they shall mean the said projected railway from Trichinopoly to Tuticorin and Tinnevelly, and the works connected therewith, and that wherever the words "the railway" are used in these presents they shall mean and include all the said railways and works:

NOW THIS INDENTURE WITNESSETH, That in consideration of the premises the company do hereby, for themselves and their successors (so far as the covenants and agreements hereinafter contained are to be observed and performed by them,) covenant with the Secretary of State in Council, and the Secretary of State in Council doth hereby (so far as the covenants and agreements hereinafter contained are to be observed and performed on the part of the Secretary of State in Council) covenant with the company and their successors in manner following; that is to say,—

Selection of line.

1. That it shall be lawful for the Secretary of State in Council to determine, fix upon, and select the route and direction of an extension line of railway to commence at a point on the existing railway to be hereafter settled, and to proceed to or near to the port of Tuticorin, and such selected line of railway, of an estimated cost of 1,600,000 *l.*, shall be completed by the company and opened for the conveyance of passengers and goods with all practicable speed.

Notice of line.

2. That the Secretary of State in Council shall give notice to the company of the extension line when so selected as aforesaid, or of any part or parts thereof, as such part or parts shall from time to time be fixed upon, and it shall be lawful for the Secretary of State in Council from time to time, after such notice as aforesaid, to alter the said route or direction, or to extend or limit the same, as the Secretary of State in Council shall think fit; provided always, that if such alteration of route or direction shall be made after the extension line shall have been commenced in a previously selected route or direction, the expense of the said line, or in any way incident to such alteration, shall be considered as properly incurred by the company.

Land.

3. That the Secretary of State in Council shall, after the selection of the route and direction of the extension line, or of any part or parts thereof, and from time to time as may be necessary, provide the land which shall be required for the same line, or for the part or parts thereof so selected, and the works connected therewith, and for proper stations, offices, warehouses, and other conveniences for the same, and shall give to the company possession thereof, and that all land of which possession shall be so given to the company which shall not be permanently required for the purposes of the railway shall, as soon as practicable, be restored and delivered up by the company to the Government

of India for the use of Her Majesty, her heirs and successors, for the purposes of the Government of India.

Works.

4. That the company shall, on receiving possession of the same land or any part thereof, forthwith, and subject to the supervision and control hereinafter prescribed, commence and proceed with diligence in the construction of the extension line, and of all such stations, offices, warehouses, fixed machinery, and other works and conveniences as, in the opinion of the Secretary of State in Council (such opinion to be certified in writing) shall be necessary or expedient, as well with reference to the original construction of the railway and the working thereof as with reference to the permanent maintenance thereof and its protection from injury or destruction by inundation, tempest, or other causes whatsoever; and the extension line shall be made at such gradients, and shall be furnished with such rails, of such weight and strength, and laid down and secured in such manner, and shall consist either of a single or double line of railway, as the Secretary of State in Council shall, in writing, direct; and shall, if required by the Secretary of State in Council, and at such time or times as the Secretary of State in Council shall, in writing require, be provided with an electric telegraph, constructed along all or such part or parts of the extension line, and upon such principle and under such regulations as to its use and the terms of its use, as the Secretary of State in Council shall, from time to time, in writing, direct or approve of; and the company shall, from time to time, attend to, execute, and perform all such directions, in writing, as may from time to time be given by the Secretary of State in Council for any deviations from or alterations in any directions or requisitions previously made or given with respect to the premises. And the company shall, as soon as the extension line shall be completed for such a distance as, in the opinion of the Secretary of State in Council, shall be desirable, open the same for the conveyance of passengers and goods.

Opening.

5. That it shall be lawful for the Secretary of State in Council, from time to time, by notice in writing to the company, to require any specified part or parts of the extension line to be completed as aforesaid, and to be opened for the conveyance of passengers and goods before the remaining part or parts thereof shall be constructed, and such requisitions shall be complied with and fulfilled by the company.

Money Capital.

6. That of the said sum of 1,600,000 *l.*, being the estimated cost of the extension line, the sum of 1,200,000 *l.* shall be raised by the issue of shares or of ordinary stock in the company, and the sum of 400,000 *l.*, the residue of the said sum of 1,600,000 *l.*, shall be raised by the issue of perpetual debenture stock, the said shares and ordinary or debenture stock to be issued at a price to be fixed by the Secretary of State in Council, or tenders for the same shares or stock shall be invited, the Secretary of State in Council fixing the terms upon which such tenders shall be accepted; and the company shall pay into the Bank of England, to the account of the Secretary of State in Council, the said sum of 1,600,000 *l.* when so raised as aforesaid, by such instalments and at such times as the Secretary of State in Council may require, and such payments may be made in sums of not less than 10,000 *l.* each in London, and all premiums given for shares or stock shall be carried to an account to be headed "capital not bearing interest." Provided always, that if the company shall receive any portion of their capital already subscribed or hereafter to be subscribed in India, it shall be lawful for them to pay the amount so received, in sums of not less than 10,000 rupees, into the Treasury at Madras, in or towards satisfaction of the said instalments; and the acknowledgment of such respective payments there shall, when produced to the Secretary of State in Council in London, be considered and taken as payments on the respective days of payment thereof, in part satisfaction of the said sum of 1,600,000 *l.*, at the exchange of 1 *s.* 10 *d.* for each company's rupee. Provided always, that such payments into the Treasury at Madras shall not exceed the amounts which may from time to time be required for expenditure in India, such limit being determined upon by the Secretary of State in Council.

Drafts on Capital.

7. That as often as and when any money shall be required by the company for any purposes sanctioned by the Secretary of State in Council, and in reference to the particular sums from time to time required only so far as such purposes

purposes shall have been performed to the satisfaction of the Secretary of State in Council, or when any money shall be required for the performance of works sanctioned by the Secretary of State in Council while the same shall be in course of execution, such money may be drawn, in such sums as shall from time to time be necessary, by the company in London or at Madras, according to such arrangements as shall be made from time to time with the Secretary of State in Council for that purpose, but 10 days' notice of every such draft or proposed draft shall be given to the Secretary of State in Council or to the Government of Madras, and all sums of money which shall be so drawn at Madras shall be set off at the exchange of 1 *s.* 10 *d.* for each company's rupee, against the moneys which for the time being shall have been paid into the Bank of England to the account of the Secretary of State in Council, under the hereinbefore mentioned indentures and these presents, or any of them. And the company shall not in any case be entitled to draw in London or at Madras to an extent greater than the balance in their favour for the time being.

Plant, fares, and tolls.

8. That as to the extension line, when and so soon as the same line, or any part or parts thereof which shall have been required by the Secretary of State in Council to be completed before the construction of the other part, shall be completed and ready to be opened for the use of the public, and so from time to time as any such part thereof shall be completed and ready to be opened, and at all times as to the original lines, the company shall and will, subject to the supervision and control hereinafter mentioned, provide to the satisfaction of the Secretary of State in Council good and sufficient working stock of engines, carriages and other plant and machinery for working the railway, or such part or parts thereof as shall have been completed as aforesaid, and carrying on the business and traffic of the same; and shall and will carry on the business of common carriers of goods and passengers upon the railway, and for that purpose shall cause to be run on the same so many trains, at such times and at such rates of speed, and between such places, and with such conveniences and accommodations, as the Secretary of State in Council shall from time to time require. And the company shall allow the use of the railway to the public on such terms as shall be approved by the Secretary of State in Council, and the company shall be authorised and empowered to charge such fares for the carriage of passengers and goods, and such tolls for the use of the railway and telegraphs respectively as they shall think fit; provided such fares and tolls respectively shall never exceed a maximum rate to be from time to time fixed for the same respectively by the Secretary of State in Council, which maximum rates respectively shall, when such net receipts as are hereinbefore mentioned shall in any year have exceeded 10 per cent. upon the whole outlay, be reduced in accordance with any requisition of the Secretary of State in Council in that behalf, but only with a view of limiting the said fares, rates, and tolls, so far that the net receipts shall not exceed 10 per cent. as aforesaid.

Title to land.

9. That the Secretary of State in Council will, when required so to do by the company, grant to the company a lease of, or otherwise secure to them a right and title to so much of the land which has been or shall be provided under the provisions of the said indentures of the 1st day of September 1858, the 21st day of April 1864, or these presents, as is or shall be required for the completed railway, and for the works and conveniences thereto belonging, for a term of 99 years, commencing from the 1st day of January 1864, unless the same shall be sooner determined under the provisions herein contained, and the Secretary of State in Council shall guarantee to the company the quiet and undisturbed possession of such land, but shall not be called upon to show any title thereto.

Supervision. Government Director may be appointed. His powers and privileges.

10. That the Secretary of State in Council may from time to time, during the construction of the extension line, give to the company, their officers, servants, and agents, all such orders and directions as the Secretary of State in Council shall from time to time think fit, with reference to the time, cost, and manner within, at, and in which respectively the extension line or any part or parts thereof shall be constructed, carried on, and completed, and the company will strictly comply with, execute, and perform all such orders and directions; and the company, and their officers, servants, and agents, as also their accounts and affairs, shall in all things be subject to the superintendence and control of the

Secretary of State in Council, as well in England as elsewhere, and in particular that no bye-laws, contracts, orders, directions, proceedings, works, or undertakings, acts, matters, or things whatsoever, shall be made, done, entered into, commenced, or prosecuted by or on the part of the company, unless previously sanctioned in writing by the Secretary of State in Council or in some other manner to be prescribed by the Secretary of State in Council or by the Executive Government in India; and that no moneys shall be raised by the company by any other means than by calls upon or payments in respect of the shares in the company without the sanction of the Secretary of State in Council in writing, and no extension in the number of shares in the company, or in the amount of its capital, shall be made, unless sanctioned in like manner. And, generally, that it shall be lawful for the Secretary of State in Council from time to time to give to the company, their officers, servants, and agents, all such orders and directions as the Secretary of State in Council shall from time to time think fit with reference to the railway, and with reference to the manner and times of executing the same, and with reference to any contracts, orders, and directions to be entered into, made, or given with regard thereto, and otherwise with reference to the same; all which contracts, orders, and directions shall be executed and followed by the company to the satisfaction of the Secretary of State in Council, the costs and expenses of the same which shall have been allowed and sanctioned by the Secretary of State in Council being paid out of the capital of the company; and that for better enabling the Secretary of State in Council to exercise the control and direction intended to be hereby secured, the company shall record and keep in proper books for that purpose, full and particular accounts of all their transactions and proceedings, including full and true minutes of all their meetings, meetings of directors, communications with India, and correspondence, so as at all times to exhibit thereby fully and truly the state of their affairs and proceedings; and that the Secretary of State in Council, and any person or persons appointed by him in that behalf shall at all reasonable times have free access to all the books, accounts, papers, and documents of the company (except communications between the railway company and their legal advisers), and power to make copies of or extracts from the same, whether such books, accounts, papers, and documents relate to the railway or to any other matters or things whatsoever in which the company shall or may be interested; and for the purposes aforesaid it shall be lawful for the Secretary of State in Council from time to time to appoint any one person, not being a shareholder in the company, to be an *ex officio* director of the company, and to be called the Government Director, which director, if and when appointed, shall rank as and be one of the board of directors of the company, and be entitled in all things to act as such, and to exercise at his discretion a right of veto in all proceedings whatsoever at boards of the said directors, except proceedings for the purpose of communicating with the legal advisers of the company, and shall not be removeable except by order of the Secretary of State in Council, and shall in case the whole number of directors shall at the time of his appointment be filled up, come in and be in the place of the director who shall retire from the direction according to the decision of the board, such decision being taken by ballot, but such Government director shall not be entitled to any salary from the company. Provided always, that the Secretary of State in Council shall not be authorised to appoint any officer or servant connected with the company except such Government director as aforesaid.

Sanction of expenditure.

11. That all the expenses of the company shall from time to time be stated and submitted to the Secretary of State in Council for sanction and approval, and as between the company and the Secretary of State in Council shall be allowed, so far only as the same shall from time to time have been sanctioned and approved by the Secretary of State in Council: Provided always, that the last-mentioned stipulation shall not interfere with any such subsidiary agreement or agreements (if any) as from time to time may be made between the company and the Secretary of State in Council for the performance of any part or parts of the railway at any sum or sums of money to be specified in such subsidiary agreement or agreements, in which case the expenses in respect of the same shall be allowed and taken at the sum or sums which shall be agreed upon.

12. That

Capital account.

12. That a capital account relating to the construction of the railway, and the works, conveniences, and telegraphs thereto belonging, and relating to the original cost of engines, carriages, and the plant and machinery, shall be kept by the Company, to which account all moneys paid by the company (the expenditure of which shall have received the sanction and approval of the Secretary of State in Council) shall from time to time be carried. And at any time or times, if the Secretary of State in Council shall so require, the said capital account shall be made up, and a statement shall be furnished to the Secretary of State in Council of the aggregate amount of capital which according to such account shall have been expended, and such amount shall, by examination of such account, be ascertained and certified by the Secretary of State in Council; and the cost of maintaining the railway, with its machinery and stock, in good working condition, shall, as to the said original lines at all times, and as to the said extension line from the expiration of two years next after the opening of the same, or any part or parts thereof, be payable by the company out of the revenues of the company, including any interest to be received from the Secretary of State in Council; but upon any additions, alterations, or improvements, such as shall properly be chargeable to the capital account, being thereafter made, with the sanction and approval of the Secretary of State in Council, to, of, or in the railway, or the works, conveniences, or telegraphs thereto belonging, or the engines, carriages, and other plant and machinery, the cost necessarily incurred in executing such additions, alterations, or improvements, shall be added to the said capital account. And if it shall happen that any liability shall be incurred to third persons for consequential damages caused by any works executed by the company under the sanction or authority of the Secretary of State in Council, all expenses necessarily incurred in satisfying the same shall be paid by the company, and added to the said capital account, and the said capital account shall from time to time be made up and stated afresh as occasion shall require, and be ascertained and certified accordingly.

Repairs and maintenance of rolling stock.

13. That at all times during the said determinable term of 99 years hereby agreed to be granted, the company shall keep the railway, or so much thereof as shall be completed and opened for traffic, and the works and conveniences belonging thereto, and the telegraphs on the railway (if any) in a state of good repair, and in good working condition, to the satisfaction of the Secretary of State in Council, and shall keep the railway fully provided with rolling stock and plant, in good repair and adequate to the service thereof, to the satisfaction of the Secretary of State in Council.

Revenue account.

14. That the Company shall, in such forms and under such heads or divisions as shall be prescribed by the Secretary of State in Council, keep accounts of all receipts and payments whatsoever in respect of the railway (other than such receipts and payments as properly belong to the capital account hereinbefore agreed to be kept), and such accounts shall be called the "Revenue Accounts of the Great Southern of India Railway Company," and shall be made up half-yearly to the 30th day of June and the 31st day of December in every year, or to such other days in the year as the Secretary of State in Council shall appoint, and shall be regularly transmitted to the Secretary of State in Council, who shall be at liberty at all times in auditing the same accounts to make any corrections therein which may be necessary.

Deposit of revenue and drafts thereon.

15. That all earnings and profits received by or on account of the company in India shall be paid at such times and in such manner as the Secretary of State in Council shall direct, without any deduction under any pretence whatever, into the Treasury of the Government at Madras, to an account to be kept separately, to be called "the Revenue Account of the Great Southern of India Railway Company;" and when any money shall be required by the company for any purposes sanctioned by the Secretary of State in Council, such money may be drawn by the company according to such arrangements as shall from time to time be made with the Secretary of State in Council or the Executive Government of India for that purpose.

Guarantee of interest.

16. That the Secretary of State in Council shall, in addition to the interest payable in respect of the said sum of 500,000 *l.* under the provisions of the said indenture of the 1st day of September 1858, as varied by the said indenture of the 14th day of February 1860, and in addition to the interest payable under

the provisions of the said indentures of the 23rd day of August 1860, the 20th day of November 1861, the 7th day of February 1863, and the 21st day of April 1864, and the said letter of the 15th day of April 1867 respectively, from time to time during the said determinable term of 99 years hereby agreed to be granted, pay to the company in London half-yearly, on the 30th day of June and the 31st day of December in every year, interest at the rate of 5 *l.* per cent. per annum on such part of the said sum of 1,200,000 *l.* sterling so agreed to be raised by the issue of shares or ordinary stock as shall for the time being have been paid in London or Madras as aforesaid, and as shall not have been or will not be subject to be carried over to the account headed "Capital not bearing interest," it being intended that no interest shall be paid, or guaranteed to be paid, on the money carried over, or which shall be liable to be carried over to the last-mentioned account; and will, in addition to such interest so payable as aforesaid, pay during the said determinable term to the company, on the same half-yearly days, interest at the rate of 4 *l.* 10 *s.* per cent. per annum on so much and such part of the debenture stock to be issued for raising the said sum of 400,000 *l.* as shall for the time being have been issued in London or Madras as aforesaid; and will on the expiration or the earlier determination under any of the provisions of these presents of the said determinable term of 99 years hereby agreed to be granted, thenceforth and for ever thereafter pay to the respective holders of the said debenture stock so to be issued as aforesaid, interest at the rate of 4 *l.* 10 *s.* per centum per annum on the amount of the stock for the time being held by him or them; and in every case of any part of either of the said sums of 1,200,000 *l.* or 400,000 *l.* being raised, the interest upon such part of the same sums respectively as shall bear interest shall be considered in the first instance as running from the day on which the same part shall have been paid in London or Madras as aforesaid.

Monies in excess.

17. That if the expenditure of the company in making the railway shall exceed the aggregate amount of the said sums of 1,221,400 *l.* and 1,600,000 *l.*, the monies necessary to meet such excess shall be raised and paid by the company into the Bank of England, to the credit of the account of the Secretary of State in Council, and that the Secretary of State in Council shall from time to time during the then residue of the said determinable term of 99 years hereby agreed to be granted, pay to the company half-yearly, on the days aforesaid, interest on such monies, at such rate as shall be mutually agreed upon, to be calculated from the respective times when they shall have been so paid as aforesaid. Provided always, that the mode and terms in and on which any further monies shall be raised or capital created shall in all respects be determined on and fixed by the Secretary of State in Council, and the raising, creation, and issue of such monies and capital respectively shall be in all respects subject to his sanction and under his superintendence and control, and that in case of any monies being raised by payment of a premium for shares or stock, the Secretary of State in Council shall not pay any interest on such premium, but the same shall be carried to the said account to be headed "Capital not bearing interest."

Application of money standing to the account, "Capital not bearing interest."

18. That the monies which shall for the time being be standing to the account to be headed "Capital not bearing interest," shall in all respects, except bearing interest, be treated as capital, and be applicable for all the purposes for which the capital which does bear interest is or shall be applicable.

Application of profits.

19. That henceforth during the said determinable term of 99 years hereby agreed to be granted, the whole net receipts which shall be realised during any half year on the railway, after deducting all sums which shall have been expended in the repairs and maintenance of the railway, and the repair and restoration of the rolling stock and plant belonging thereto, and the management and conduct of the company and its affairs, and which shall have been allowed or sanctioned by the Secretary of State in Council, and also deducting such sums (if any) as with the sanction of the Secretary of State in Council may have been appropriated and set apart for repairing, restoring, and making good any deterioration of the railway or stock and plant, and for the current expenses of working the railway, (the money if any) to be so appropriated and set apart as a reserve fund, or any part or parts thereof being invested and accumulated

accumulated or otherwise dealt with till required for application in any manner the company may think fit, subject to the sanction and approval of the Secretary of State in Council), shall belong to the Secretary of State in Council as part of the revenues of India. Provided always, that in case in any half year such net receipts, after making such deductions as aforesaid, shall exceed the aggregate amount of interest payable for such half year by the Secretary of State in Council, under the contracts for the time being subsisting, guaranteeing the payment of interest, including this present contract, then and in every such case (and for this purpose the exchange shall be fixed at 1 *s.* 10 *d.* for the company's rupee) a moiety of such excess shall belong and be paid to the company for their own use and benefit. And it is hereby declared that the provision hereby made for the application of the said net receipts shall henceforth be substituted for and supersede every provision as to the application of net receipts in any contract now subsisting between the Secretary of State in Council and the company. And every such provision as last aforesaid shall, from the date of these presents, cease to have any effect, and the company shall be and are exonerated from liability thereunder.

Mails and troops.

20. That the company will at all times during the said determinable term hereby agreed to be granted, convey on the railway the Government mails and post bags, and the guards and other servants of the Post Office in charge thereof, free of charge, and when they are on duty all officers and persons in the administration of the Post Office, also free of charge; and will also convey on the railway, when they are on duty, the troops in Her Majesty's service, both horse and foot, and all other persons to whom the provisions of the Mutiny Acts and Regulations or Acts for the time being in force for Her Majesty's European and Indian Forces respectively shall be applicable, and all artisans on the business of the Government; the officers and persons of similar station in life to be entitled to travel in first-class carriages at second-class fares, and the troops and European artisans in second-class carriages at the lowest fares, and all the other persons at the lowest fares, with two tons of baggage for every 100 men free of charge; and will also convey on the railway all general stores belonging to the Government, and all guns, ammunition, horses and other animals used for military purposes, and all military stores, carriages, waggons, camp equipage, and equipments whatsoever, at the lowest rate for the time being chargeable for the carriage of such animals, goods, and merchandise, the several privileges of conveyance and carriage hereby stipulated for being at all times to be used and enjoyed in preference to, and priority over the public use of the railway for conveyance and carriage.

Ultimate rights of property.

21. That at the end of the said term of 99 years hereby agreed to be granted by effluxion of time, the land provided and to be provided in pursuance of the said indentures of the 1st day of September 1858, and the 21st day of April 1864, and of these presents, with the railways thereon respectively, and all buildings, works, fixed machinery, telegraphs, and conveniences whatsoever, shall revert to and become the property of Her Majesty, her heirs and successors, for the purposes of the Government of India, free from all debts and charges whatsoever (save such as shall have been sanctioned by the Secretary of State in Council); and any lands in Great Britain which may then be held by the company for the purposes of their business shall be sold, and the clear monies produced by such sale shall be paid into the Bank of England to the account of the Secretary of State in Council, and the company shall deliver to the Secretary of State in Council for the purposes of the Government of India, all plans, surveys, sections, books, printings, writings, drawings, and documents whatsoever in anywise connected with the undertakings and affairs of the company; and the company shall sell, and the Secretary of State in Council on behalf of Her Majesty, and for the purposes of the Government of India shall purchase all the engines, carriages, stock, machinery, and plant which shall be then used in working the railway, or otherwise in connection therewith or belonging thereto, for such sum of money as shall be the fair value thereof, the same to be determined in case of difference by a valuation to be made by referees or by their umpire, to be respectively appointed in the usual manner; and the Secretary of State in Council shall pay out of the revenues of India to the company in London the sum of money to be so determined within four months after such determination, with interest thereon at the

rate of 5 *l.* per cent. per annum from the expiration of the said term of 99 years hereby agreed to be granted.

Surrender.

22. That it shall be lawful for the company at any time hereafter during the said term of 99 years hereby agreed to be granted, but not until some portion of the extension line shall have been finished, and in work for three calendar months at least, to give a notice in writing of their intention to surrender and relinquish the railway to Her Majesty for the purposes of the Government of India on any day to be mentioned in such notice, so that such notice be served at least six calendar months before that day, both on the Secretary of State in Council in London, and also on the Secretary of Government at Madras; and, in case of such notice being given the company shall, at the expiration thereof, surrender and relinquish to Her Majesty, for the purposes of the Government of India, the railway accordingly, together with the telegraphs (if any), and shall with all convenient speed sell any lands in Great Britain which may be then held by the company for the purposes of their business, and pay the clear monies to be produced by such sale into the Bank of England to the account of the Secretary of State in Council, and shall deliver to the Secretary of State in Council, or his authorised agents, on behalf of Her Majesty, for the purposes of the Government of India, the engines, carriages, stock, plant, and machinery belonging to the railway, and all plans, surveys, sections, printings, writings, drawings, and documents whatsoever connected with the undertakings and affairs of the company; and the premises to be so surrendered and delivered shall be accepted and received accordingly, it being expressly agreed that the railway, works, stations, telegraphs, engines, carriages, stock, plant, and machinery shall at the time of such surrender and delivery be in good working order, according to the covenant in that behalf hereinbefore contained on the part of the company; and immediately upon such surrender and delivery being made the Secretary of State in Council shall be bound to pay out of the revenues of India to the company the capital raised by the issue of shares or ordinary stock of the company, and expended by the company upon the railway and premises so to be surrendered and delivered, and whether the same shall have borne interest or not, such expended capital being ascertained and certified in the manner hereinbefore-mentioned, together with such parts (if any) of the capital of the company raised by the issue of shares or ordinary stock as shall remain in the Bank of England to the account of the Secretary of State in Council, and to discharge and indemnify the company from all debts and liabilities incurred with the sanction of the Secretary of State in Council; and thereupon all covenants by the Secretary of State in Council with the company for payment of interest on monies raised by the issue of shares or ordinary stock of the company, or on capital represented by shares or ordinary stock taken in exchange for mortgages, shall cease as from the day upon which the railway is to be surrendered and accepted, and all claims by the Secretary of State in Council on account of interest on the company shall also cease; and the Secretary of State in Council shall be at liberty to retain out of any monies payable to the company the amount of all claims and demands of any sort then existing against the company on their revenue account in respect of their undertakings, and which shall not be shown to have been fully satisfied and discharged until the same shall have been shown to be so satisfied and discharged: Provided always, that the Secretary of State in Council shall not be liable to refund any sum expended in the maintenance or working of the railway, or any part thereof, after the same shall have been opened, which sum is to be provided by the company out of the revenues of the company and interest as hereinbefore provided or otherwise.

Purchase.

23. That at any time within six calendar months after the expiration of the first 25 years of the said term of 99 years hereby agreed to be granted, or at any time within six calendar months after the expiration of the first 50 years of the same term, it shall be lawful for the Secretary of State in Council to give notice to the company in London and at Madras, of his intention to purchase on behalf of Her Majesty for the purposes of the Government of India, the railway, together with the stations and telegraphs (if any), and the engines, carriages, stock, plant, and machinery belonging to the railway (but subject to such debts and liabilities (if any) as may have been incurred to Her Majesty or to the Secretary of State in Council) or to any person or persons with the sanction of the Secretary of State in Council, and to interest on such of the said

debts

debts as carry interest from the day on which possession shall be taken of the railway, but not from any earlier time; and thereupon at the half-yearly day next but one following such notice the land provided or to be provided as aforesaid, with the railway thereon, and all buildings, works, fixed machinery, stations, telegraphs, and conveniences whatsoever, shall revert to and become the property of Her Majesty for the purposes of the Government of India; and in case any lands in Great Britain shall then be held by the company for the purpose of their business, the same shall be sold, and the clear monies to be produced by such sale shall be paid into the Bank of England to the account of the Secretary of State in Council; and the company shall at the same time deliver to the Secretary of State in Council or his authorised agents on behalf of Her Majesty, for the purposes of the Government of India, the engines, carriages, stock, plant, and machinery belonging to the railway, and all plans, surveys, sections, books, printings, drawings, writings, and documents whatsoever in anywise relating thereto; and the Secretary of State in Council shall be bound to pay in London, out of the revenues of India, on the said half-yearly day, for the purchase of all the same premises, a sum equal to the amount of the value of all the shares and ordinary stock of the company issued or created with the sanction of the Secretary of State in Council, calculated according to the mean market value in London of such shares or stock during the three years immediately preceding the expiration of the said period of 25 years or the said period of 50 years, as the case may be, and shall also be bound to indemnify the company against all such debts and liabilities (if any) as they may have incurred to or with the sanction of the Secretary of State in Council and as shall be then subsisting; and thereupon all covenants by the Secretary of State in Council with the company for payment of interest on monies raised by the issue of shares or ordinary stock of the company, or on capital represented by shares or ordinary stock taken in exchange for mortgages, shall cease.

Possession as a remedy.

24. That if default shall be made by the company in the raising and payment of the said sums of 1,200,000 *l.* and 400,000 *l.*, or either of them, or any of the instalments thereof respectively, or of such further capital as shall be required for the construction of the railway, or in the due application of any monies drawn in London or in India as aforesaid, or if the company shall at any time fail as regards time, cost, or any other circumstance or thing in constructing or carrying on to completion the railway and works to the entire satisfaction of the Secretary of State in Council, and conformably in all respects with the orders and directions to be given for that purpose by the Secretary of State in Council as hereinbefore is mentioned, or in case the company shall cease to work the railway, or the same shall not be worked to the satisfaction of the Secretary of State in Council, or in case of any other breach on the part of the company of any of the subsisting covenants contained in the said Indenture of the 1st day of September 1858 or the said Indenture of the 21st April 1864, or in these presents, it shall be lawful for the Secretary of State in Council, on giving to the company at Negapatam or other the place of office in India, three calendar months' notice of his intention in that behalf to terminate the interest of the company in the land, railway, telegraph, and works taken and constructed, or to be taken and constructed as aforesaid, and on behalf of Her Majesty, for the purposes of the Government of India, to assume possession of the said lands, railway, telegraph, and works respectively, and of all or any of the engines, carriages, stock, plant, and machinery provided for the same or belonging thereto, and all plans, surveys, books, printings, drawings, writings, and documents whatsoever in anywise connected with the undertakings and affairs of the company or relating thereto; and in that case any lands in Great Britain which may then be held by the company for the purpose of their business shall with all convenient speed be sold, and the clear monies to be produced by such sale shall be paid into the Bank of England to the account of the Secretary of State in Council; and in case of such notice being given the Secretary of State in Council shall be liable to repay out of the revenues of India, within six calendar months after its expiration, to the company in London, the capital expended by the company upon the railway and works so ascertained and certified as hereinbefore mentioned, and whether the same shall have

have borne interest or not, after a proper deduction for all debts and liabilities then affecting the company, or the property of the company, including all debenture and mortgage debts, the money to be so repaid to include so much (if any) of the capital of the company raised by the issue of shares or ordinary stock as shall then remain in the hands of or in the Bank of England to the account of the Secretary of State in Council, and also to discharge, exonerate, and indemnify the company from all debts, obligations, and liabilities for works and expenditure undertaken with the sanction of the Secretary of State in Council; and thereupon all covenants by the Secretary of State in Council with the company for payment of interest on monies raised by the issue of shares or ordinary stock of the company, or on capital represented by shares or ordinary stock taken in exchange for mortgages, shall cease, and all claims by the Secretary of State in Council on the company shall also cease, the intention of the parties hereto being that the company shall under all the circumstances receive back their capital expended with such sanction as aforesaid, after such deduction as aforesaid, and that such re-entry and assumption of possession and the exercise by the Secretary of State in Council of the powers and authorities by this clause given to him, shall be the only penalty to which the company shall be liable in case of any such default by the company as is hereinbefore mentioned, and on which such powers and authorities are made exercisable: Provided always, and it is hereby expressly declared, that the debenture stock hereby authorised to be issued shall not, nor shall any monies to be raised by the issue thereof be considered as capital expended within the meaning of the 22nd Clause of these presents or of this present clause, nor shall such stock or monies be considered as representing capital stock within the 23rd Clause hereinbefore contained.

Repairs by the Government of India.

25. That if at any time default shall be made by the company in their covenants to keep the railway, or such parts thereof as have or shall have been completed and opened for traffic, in repair and condition for the space of one calendar month next after notice in writing in that behalf from the Secretary of State in Council to the company at Madras, or if default shall be made by the company in their covenant to keep the railway fully provided with rolling stock and plant in good repair and adequate to the service thereof, to the satisfaction of the Secretary of State in Council, it shall be lawful for the Secretary of State in Council, by his agents, to enter on the railway and to do and execute all such works and things as may be required for fulfilling the said covenants, and to charge the expenses of the same against the company, by setting off the amount of such expenses against any monies then payable or which shall thereafter become payable by the Secretary of State in Council for interest under the said Indenture of the 1st day of September 1858, as varied by the said Indenture of the 14th day of February 1860, and the said Indenture of the 23rd day of August 1860, the 20th day of November 1861, and the 7th day of February 1863 respectively (so far as respects interest on the capital represented by shares taken in exchange for mortgages), and under the said indenture of the 21st day of April 1864, and the said letter of the Secretary of State of the 15th day of April 1867, and these presents, or any of such monies, which interest shall in such case to that extent be considered as paid and satisfied by such set off or retainer, and shall for all the purposes of the said indentures, and of these presents respectively, be regarded and considered as interest actually paid by the Secretary of State in Council to the company in pursuance of their covenants in that behalf in the said indentures and hereinbefore respectively contained; and if such expenses shall not be satisfied by such set off and retainer as aforesaid, then the Secretary of State in Council may set off and deduct the same against and from all or any part of any other moneys which shall on any account whatsoever be or become payable by the Secretary of State in Council to the company.

Annuity commutation.

26. That in every or any case in which under the provisions of these presents the Secretary of State in Council shall, before the expiration of the said term of 99 years hereby agreed to be granted, become bound to repay the capital expended by the company upon the railway, or otherwise to pay for the purchase of the railway and stock, as the case may be, it shall be lawful for the Secretary of State in Council, instead of paying a gross sum of money in respect of

of the premises, to declare, by notice to the company in London, his option to pay an annuity, to be reckoned from the time when the gross amount would be payable, and to continue during the residue of the said term of 99 years hereby agreed to be granted, and in that case such annuity shall be payable in London on such two half-yearly days in the year as shall be selected by the Secretary of State in Council in that behalf, with a fractional part for any broken half-year, the rate of interest which shall be used in calculating such annuity being determined by the average rate of interest during the preceding two years received in London upon public obligations of the Government of India and other public obligations issued in London by the Secretary of State in Council, and which shall be ascertained by reference to the Governor and Deputy Governor of the Bank of England for the time being; provided always, that the aforesaid option shall not apply to the undrawn portion (if any) of the capital of the company, which portion is to be repaid to the company, with interest under the provisions in that behalf hereinbefore contained, in case the company shall relinquish or be deprived of the railway and works as aforesaid.

Return of surplus.

27. That if after the said extension line shall have been completed and furnished with adequate working stock the whole of the said sum of 1,200,000 *l.* to be raised by the issue of shares or ordinary stock shall not have been required, the surplus of the guaranteed part of the same sum, together with such a proportion of the sum which shall then be standing to the account of unguaranteed capital as the unguaranteed part of the said sum of 1,200,000 *l.* shall then bear to the guaranteed part of the same sum, or in case additional capital beyond the said sum of 1,200,000 *l.*, shall have been raised for that purpose by shares or ordinary stock, the surplus of the last issue of capital so raised, together with such a proportion of the unguaranteed capital (if any) raised in connection with such last raised capital, and which shall be unexpended, as the whole amount of the guaranteed capital so last raised shall bear to the whole amount of the unguaranteed capital so last raised as aforesaid, shall, to the extent to which the same respectively shall have been paid into the Bank of England to the account of the Secretary of State in Council, be refunded to the company in London, with such interest as shall be due on the guaranteed capital at the time, and thereupon the aforesaid covenants for payment of interest shall no longer apply to the guaranteed capital which shall have been so refunded, but the Secretary of State in Council shall under no circumstances be bound to refund to the company any surplus monies raised by the issue of debenture stock.

Sanction of Secretary of State in Council.

28. That any notice, direction, requisition, appointment, certificate of opinion, approval of or sanction to be given or signified on the part of the Secretary of State in Council, for any of the purposes of the said indentures of the 1st day of September 1858, the 21st day of April 1864, or of these presents, shall be sufficient and binding if signed by the Secretary of State for India, or one of the Under Secretaries of State, or by the Secretary of Government at Madras, or by any other officer or servant duly authorised to act on behalf of the Secretary of State in Council, in respect of the matters to which the same shall relate. And that neither the Secretary of State in Council nor the company shall in any case be bound in respect of the matters aforesaid, unless by some writing signed in the manner before mentioned.

Railway office in Negapatam, and agent.

29. That the company shall keep an office of the company at all times hereafter during the said term hereby agreed to be granted established at Negapatam, or at such other place or places as shall be agreed upon between the Secretary of State in Council and the company; and the company shall keep at the said office an authorised agent or authorised agents, with whom the Secretary of State in Council and the Government of Madras may communicate on affairs concerning the railway, and all drafts drawn by the said agent or agents, and all receipts of and acts done by such agent or agents on behalf of the company, or concerning the said railway, works, and stock, shall be binding on the company and every notice to be given to the company shall be sufficiently given if left at the said office, or personally served on such agent or agents.

Legislation in India.

30. That the Secretary of State in Council shall promote the passing by the Governor General of India in Council of any Act or Acts which shall be

necessary or convenient for enabling the company to fulfil in India the objects of the undertaking, according to the terms and conditions of these presents.

All the undertakings to be regulated by this indenture.

31. That all the clauses of these presents, except the 1st, 2nd, 4th, 5th, 6th, and 16th, shall henceforth apply to regulate and govern all the undertakings of the company as one united whole, and that where the provisions of these presents are inconsistent with or repugnant to the provisions of the said indentures of the 1st day of September 1858 and the 21st day of April 1864, or any of such provisions, the provisions herein contained, and in particular the provisions of the 9th, 19th, and 24th clauses of these presents, shall have effect as to all the undertakings of the company, and shall supersede the corresponding provisions of the lastly-mentioned indentures. Provided always, that nothing herein contained shall prejudice or affect any rights of the Secretary of State in Council, which may now be subsisting under any contracts between the Secretary of State in Council and the company, nor shall anything herein contained prejudice, alter, or affect any subsisting guarantees for the payment of principal or interest which may have been heretofore given by the Secretary of State in Council to the company.

In witness whereof William Urquhart Arbuthnot, Esquire, and Sir Frederick James Halliday, K.C.B., being two members of the Council of India, have hereunto set their hands and seals, and the said railway company have caused their common seal to be affixed, the day and year first above written.

Signed, sealed, and delivered by the said William Urquhart Arbuthnot and Sir Frederick James Halliday, being two members of the Council of India, in the presence of

Robt. Wickenden,
Clerk to the Solicitor,
India Office,

W. U. ARBUTHNOT. Seal.

FRED. JAS. HALLIDAY. Seal.

Passed under the Common Seal of the Great Southern of India Railway Company, in the presence of

Henry W. Notman,
Secretary.

Seal of the Company.

CONTRACT for the Amalgamation of the GREAT SOUTHERN OF INDIA and CARNATIC RAILWAY COMPANIES, and for enabling the Amalgamated Company to make Agreements with the Secretary of State in Council of India, and for other Purposes.

THIS INDENTURE, made the 16th day of December 1873, between the SECRETARY OF STATE IN COUNCIL OF INDIA (hereinafter called the Secretary of State in Council) of the first part, the GREAT SOUTHERN OF INDIA RAILWAY COMPANY (hereinafter called the Great Southern Company) of the second part, and the CARNATIC RAILWAY COMPANY, LIMITED (hereinafter called the Carnatic Company), of the third part.

WHEREAS the Great Southern Company was incorporated by the Great Southern of India Railway Act, 1858, with a capital of 1,000,000 *l.*, for the purpose of affording railway communication to the Provinces of Southern India and such other places as they might from time to time determine, by constructing, maintaining, and working railways, and by the performance of all other matters and things incidental or conducive thereto, and were empowered from time to time to enter into and conclude with the East India Company on account of the Government of India, and to carry into effect such contracts, agreements, and arrangements, as the respective parties might think fit and agree upon, for or connected with or incident to or respecting all or any of the objects and purposes aforesaid; and it was provided that such contracts might include amongst other provisions any provisions as to the application of the tolls, receipts, or profits of the said railways respectively, and any provisions for depositing with or paying to the East India Company all or any part of the subscribed capital of the Great Southern Company upon any terms (as to interest, guarantee, or otherwise) to be agreed upon, and any provisions for the surrender or sale to the East India Company of the said railways, or any part thereof, and all or any part of the property of the Great Southern Company at any future period; and the said capital was subject to increase by an amount not exceeding 2,000,000 *l.* sterling, to be raised by the creation of new or additional shares for carrying into effect any contract or agreement with the East India Company:

And whereas by an Indenture, dated the 1st day of September 1858, and made between the East India Company of the one part, and the Great Southern Company of the other part, it was, amongst other things, agreed that the Great Southern Company should construct and open a line of railway, to commence at or near Negapatam, and to proceed to a point at or near Trichinopoly, at an estimated cost, to be approved of by the East India Company, and that the land required for the said railway should be provided by the East India Company, and that the capital of the Great Southern Company to be then subscribed, amounting to the sum of 1,000,000 *l.*, and the further moneys which might be required for the construction of the said railway should be paid by the Great Southern Company into the treasury of the East India Company in London, or in India, payments made in India being computed at the exchange of 1 *s.* 10 *d.* for the Company's rupee, and that such moneys should be from time to time drawn out for the purposes of the works, and that the land provided for the said railway when completed should be leased to the Great Southern Company for the term of 99 years, from the 1st day of May 1858, and that the Great Southern Company might at any time after any portion of the said railway should have been finished and in work for three calendar months at least, surrender and relinquish the said railway and works to the East India Company on such terms, and that the East India Company should pay to the Great Southern Company for the same such sum of money as therein mentioned, and that the East India Company might at any time within six calendar months after the expiration of the first 25 years of the said term of 99 years, or at any time within six

calendar months after the first 50 years of the same term purchase the said railway and works on the terms therein mentioned, and should pay for the purchase of the same premises the full amount of the value of all the shares and capital stock in the Great Southern Company, calculated according to the mean market value in London of such shares or stock during the three years immediately preceding the expiration of the said period of 25 years, or the said period of 50 years, as the case might be, and that the East India Company should pay to the Great Southern Company in London half-yearly, during the said determinable term, interest at the rate of 5 *l.* per centum per annum on the said sum of 1,000,000 *l.* sterling, to be subscribed as aforesaid, or on such part thereof as should for the time being have been paid into the Treasury of the East India Company as aforesaid, and that the moneys required for the said railway and works, or otherwise, as therein mentioned, in excess of the said sum of 1,000,000 *l.* sterling should be raised and paid by the Great Southern Company to the East India Company, and that the East India Company should from time to time during the then residue of the said determinable term of 99 years, pay to the Great Southern Company half-yearly interest on such excess at such rate as might be mutually agreed upon, and it was by the Indenture now in recital provided that as soon as the Great Southern Company should begin to work the said railway, or any part thereof and the telegraphs (if any), and thenceforth during the said determinable term of 99 years the net receipts which should be realised during any half-year, or from the commencement up to the first of the half-yearly days therein mentioned on the said railway, or on any part thereof, after making such deductions as were therein mentioned should be applied in the first place in or towards discharge of the interest which should be payable by the East India Company under the covenants in that behalf therein contained in respect of the said half-year, so as to exonerate the East India Company, so far as the same net receipts would extend, from the payment of such interest, the money to be so applied being reckoned at the fixed and permanent exchange of 1 *s.* 10 *d.* per Company's rupee, and the residue (if any) of such net receipts should be applied as follows, namely, one moiety thereof in the repayment of such sums of money as should at any previous time or times have been paid by the East India Company to the Great Southern Company under the covenants therein contained, by way of interest, together with simple interest on such sums of money, at the same rate per centum per annum as the rate of interest which should have been so paid, and such moiety should be paid into the Treasury of the East India Company at Madras, and should be reckoned at the said rate of exchange, and should be applied in reduction and discharge of the whole of the interest payable to the East India Company on the said sums of money before the same should be applied in liquidation of any part of the principal thereof, and the other moiety of the said surplus net receipts should be paid to or applied for the use and benefit of the Great Southern Company, and if at any time during the said determinable term of 99 years the whole of the moneys previously paid by the East India Company as aforesaid, with interest thereon as aforesaid, should have been repaid and discharged, then for every half-year during such time, and so often as the same should happen, the Great Southern Company should be entitled for their own use and benefit to the entirety of the said surplus net receipts, or (as the case might be) so much thereof as should remain after such repayment and discharge as last aforesaid should have been made:

And whereas, by an Indenture dated the 14th day of February 1860, and made between the Secretary of State in Council (to whom by virtue of the Act for the better Government of India (21 & 22 Vict. c. 106) the rights and liabilities of the East India Company under the hereinbefore recited contract had been transferred) of the one part, and the Great Southern Company of the other part: After reciting that since the execution of the hereinbefore recited Indenture it had been ascertained that the sum of 500,000 *l.*, or thereabouts, would be sufficient for the railway authorised, it was thereby declared and agreed that the sum of 500,000 *l.* sterling should be substituted for the sum of 1,000,000 *l.* sterling wheresoever the said last-mentioned sum occurred in the hereinbefore recited Indenture, and that the several covenants, clauses, and provisions of the same Indenture should be construed and take effect as if the said sum of 500,000 *l.* had been originally inserted in the same Indenture, in lieu of the said sum of 1,000,000 *l.*

And

And whereas, by the "Great Southern of India Railway Amendment Act, 1860," the Great Southern Company was empowered to borrow such sums on mortgage, on the security of their undertaking, as therein mentioned, and also from time to time, with the sanction of the Secretary of State in Council, and of such number of votes of the shareholders as therein mentioned, to raise by the creation and issue of debenture stock, under the powers, but subject to the restrictions of that Act, any sums not exceeding the amount which they were by that Act authorised to borrow, in lieu of borrowing or reborrowing the same, and in order to pay off moneys theretofore borrowed by them under the powers of that Act, and subject to the provisions of the same Act the Great Southern Company were empowered, with the like sanction of the Secretary of State in Council, and of the shareholders, to attach to any such debenture stock, before the issue thereof, any guaranteed interest or dividend not exceeding 5 per cent. per annum, as to the Great Southern Company should seem fit:

And whereas, the Great Southern Company, with the sanction of the Secretary of State in Council, raised the several sums of 90,000 *l.*, 50,000 *l.*, and 26,000 *l.*, making together the sum of 166,000 *l.* on loan upon mortgages, convertible into shares upon which interest at the rate of 5 *l.* per centum per annum was guaranteed by the Secretary of State in Council. And by three several indentures bearing date respectively the 23rd day of August 1860, the 20th day of November 1861, and the 7th day of February 1863, and respectively made between the Secretary of State in Council of the one part, and the Great Southern Company of the other part, the Secretary of State in Council entered into covenants for payment of the principal moneys and interest secured by the said mortgages, and for payment of interest at the rate aforesaid on the capital of the Company represented by additional shares to be issued in exchange for the said mortgages as aforesaid:

And whereas by an indenture dated the 21st day of April 1864, and made between the Secretary of State in Council of the one part, and the Great Southern Company of the other part, it was amongst other things agreed that the Great Southern Company should construct another railway to commence at the terminus at Trichinopoly, of the railway to which the said indenture of the 1st day of September 1858 related, and to proceed to Errode, and that the capital raised or to be raised by the Great Southern Company for the purposes of the same indenture should be the sum of 350,000 *l.*, and that the Secretary of State in Council should guarantee interest at the rate of 4 *l.* 15 *s.* per centum per annum on the sum of 350,000 *l.*, or on such part thereof as should for the time being have been paid by the Great Southern Company as therein mentioned, and that the land required for the purpose of the same railway should be provided by the Secretary of State in Council, and that upon the completion of the same railway, or of any part thereof which should be required by the Secretary of State in Council to be first completed, the land required for the completed line should be leased to the Great Southern Company by the Secretary of State for 99 years from the 1st day of September 1858, determinable at the option for purchase, or re-entry, as in the indenture now in recital provided, the provisions in such indenture being in most respects *mutatis mutandis* the same as the provisions contained in the first hereinbefore recited indenture, and to carry into effect the intention in the indenture now in recital that the said two railways should be made and maintained as one railway, with one and the same capital and revenue account, it was by the indenture now in recital declared that certain of the clauses contained in the hereinbefore recited indenture should be superseded by certain clauses in the indenture now in recital:

And whereas by an indenture bearing even date with the last hereinbefore recited indenture, and made between the Secretary of State in Council of the one part, and the Great Southern Company of the other part, the Secretary of State in Council guaranteed the payment of a further sum of 150,000 *l.*, with interest at the rate of 4 *l.* 10 *s.* per centum per annum, which sum was to be raised on mortgages of the same Company not convertible into shares:

And whereas by a letter to the Secretary of the Great Southern Company dated the 15th day of March 1866, the Secretary of State in Council sanctioned the raising of 50,000 *l.*, with interest at the rate of 5 per centum per annum, on mortgages of the Great Southern Company, convertible into stock the same sum

sum of 50,000 *l.* constituting the part of the said sum of 150,000 *l.*, which had not then been raised:

And whereas the Secretary of State in Council, by a letter to the Secretary of the Great Southern Company, dated the 15th day of April 1867, sanctioned the raising by the Great Southern Company of an additional sum of 200,000 *l.*, at interest at the rate of 5 per centum per annum by the issue of shares:

And whereas by an indenture bearing date the 12th day of March 1872, and made between the Secretary of State in Council of the one part, and the Great Southern Company of the other part, it was amongst other things agreed that the Great Southern Company should construct another railway, to commence at a point on the existing railway to be thereafter settled, and to proceed to the port of Tuticorin, and that the capital raised or to be raised for the purposes of the same indenture, should be the sum of 1,600,000 *l.*, of which sum 1,200,000 *l.* should be raised by the issue of shares or of ordinary stock, and the sum of 400,000 *l.* by the issue of debenture stock, and the said shares and stock were to be issued at a price to be fixed by the Secretary of State in Council, and that all premiums given for shares or stock should be carried to an account of "capital not bearing interest," and that the Secretary of State in Council should guarantee interest at the rate of five per centum per annum on the said sum of 1,200,000 *l.*, or on so much thereof as should for the time being have been paid to the Secretary of State in Council, and at the rate of 4 *l.* 10 *s.* per centum per annum on the debenture stock to be issued for raising the residue of the said sum of 1,600,000 *l.*, and that no interest should be paid by the Secretary of State in Council on moneys carried to the account of "capital not bearing interest." And in the indenture now in recital were contained provisions in most respects *mutatis mutandis* similar to the provisions contained in the hereinbefore recited indentures of the 1st day of September 1858 and the 21st day of April 1864, but with some alterations, one of such alterations providing for a different application of the net receipts of the Company, and in order to carry into effect the intention in the indenture now in recital expressed that the said three railways should be made and maintained as one undertaking, with one and the same capital and revenue account, it was by the same indenture provided that all the clauses thereof, except as therein mentioned, should thereafter apply to regulate and govern all the undertakings of the Great Southern Company as one united whole, and that where the provisions of the indenture now in recital were [illegible] and sistent with the provisions of the said indentures of the [illegible] day of [illegible]y for the 1858 and the 21st day of April 1864, the provisions [illegible] contained dinary or have effect as to all the undertakings of the Great So[illegible] Council, and should supersede the corresponding provisions of the [illegible] account of dentures:

And whereas a company called the Indian Tramway Company, [illegible]etary of State in the year 1862, registered under the provisions of the "Joint [illegible]oneys which panies Acts, 1856 and 1857," with limited liability, with [illegible] be paid by for the purpose of, amongst other things, the introd[illegible] Secretary ways in connection with, and as feeders to the railway[illegible] the

And whereas the said tramway company in or about [illegible] into negotiations with the Secretary of State in Council[illegible] from the Government certain aid and concessions for [illegible] with a gauge of three feet six inches from the Arconum Statio[illegible] Railway to the town of Little Conjeveram, and the said tramway [illegible] wards, with the sanction of the Secretary of State in Council, [illegible] terms and extent of such aid and concessions as aforesaid had [illegible] determined and agreed upon, commenced the same railway, and [illegible] way was completed and opened for traffic about the 1st day of August [illegible] part of the same railway being a distance of 14 miles and from the date of [illegible] ing from the said station, was [illegible] upon half of first six calendar months leading from Arconum to Conjeveram [illegible] ceeding and the remainder computed from the same [illegible] being a distance of 4 miles and [illegible] th year [illegible], together as aforesaid, purchase the [illegible] engine-houses, store-houses, [illegible] terms there[illegible] building[illegible] tioned, and should [illegible] construct on land, taken up by [illegible] such sum [illegible] money as therein [illegible] State in Council, and made over to the Council should from time to time [illegible]

And whereas by articles of [illegible] ears pay to the Carnatic Company [illegible] of August 1867, and made between the [illegible] annum on the said sum of 60,000 [illegible] part, and the said tramway company [illegible] so on such part of the said sum of 740, [illegible] things agreed that

that the concession of the half roadway, and all land made over to the said tramway company for its use free of cost, should continue for the term of 99 years, commencing from the 1st day of August 1865, renewable as in the said articles of agreement is mentioned, and in the said articles of agreement were contained divers covenants, agreements, and provisions relating to the same railway and the telegraphs and works belonging thereto, and to the working and maintaining of the same respectively, and also relating to the determination of the said agreement, and to the rights of the said parties on such determination, and in particular it was by the 42nd clause of the said articles of agreement provided that the said tramway company should not lease, sell, or otherwise alienate in any manner the said line of railway, or any part of it, to any person or company, unless such person or company should agree to be bound by all the conditions therein contained, and unless the Government should consent to such lease, sale, or transfer, and no such lease, sale, or transfer should be valid unless with the assent of the Government:

And whereas the paid-up capital of the said tramway company in the month of November 1867, was the sum of 100,000 *l.*, and the Secretary of State in Council then agreed to guarantee temporarily to the said tramway company that their dividend should from the 1st day of January 1868, be made up to three per centum per annum upon the said sum of 100,000 *l.*:

And whereas the Carnatic Company was in the year 1869 registered under the provisions of "The Companies Act, 1862," with a capital of 800,000 *l.*, for the purpose, amongst other things, of constructing or acquiring by purchase or otherwise of railways and tramways, and of telegraphs connected therewith in the East Indies, and of maintaining and working the same, with power to enter into or adopt contracts with any persons, companies, or Governments, whether British or foreign, in relation to the acquisition, construction, maintenance, working or disposition of any such railways, tramways, telegraphs, or lands:

And whereas previously to the date of the indenture next hereinafter mentioned, an agreement was come to between the Secretary of State in Council, and the said tramway company and the Carnatic Company, that the said articles of agreement and the term thereby granted should be put an end to, and that the Secretary of State in Council should be released from his said guarantee of dividends on the said sum of 100,000 *l.*, that the said tramway company should be wound up voluntarily, that liquidators should be appointed for that purpose, [illegible] the assets of the said tramway company, except the benefit of the said [illegible] by the said Secretary of State in Council, and the interest of the said [illegible] company under the said articles of agreement, and except the benefit [illegible] contract with the French Government for making a railway [illegible], after discharging all the existing liabilities of the said tramway [illegible] the expenses of liquidation, should be transferred to the Carnatic [illegible] Company issuing to the liquidators to [illegible] should be [illegible] 3,000 fully paid-up shares in the capital of the [illegible] State in Council [illegible] said liquidators should be entered on the register [illegible] minable by surrender [illegible] Company as owners of the said 3,000 shares, and recital mentioned, the pr[illegible]ich registration the Carnatic Company should convert *tis mutandis* similar to th[illegible]0,000 *l.* capital stock of the same company; that indenture; and in ord[illegible]e in Council should guarantee interest on the said sum of recital expressed, that the said liquidators should hold the same sum of stock one undertaki[illegible]stribute the same amongst the members of the said tramway the indenture [illegible]bly, and in proportion to the respective amounts of the shares of, first hereinbe[illegible]he capital of the said tramway company held by them respectively, contained i[illegible]ded that such guarantee should be taken and accepted by the [illegible] said tramway company [illegible]eu of, and in substitution for the [illegible]ry of State in Council so as to be released as aforesaid, [illegible]tary of State in [illegible]cil should co-operate with the [illegible] the gauge [illegible]id railway from three feet six [illegible] throughout [illegible] also in the construction of an extension [illegible] [illegible]dalore, or to such other place near Cudd[illegible] [illegible] upon it having been approximately estim[illegible] [illegible]d be required for altering the said original [illegible] [illegible]xtension line, it was further agreed that t[illegible] [illegible]d guarantee during the term of 999 years [illegible] [illegible] at the rate of five per centum

centum per annum upon the said sum of 740,000 *l.*, but less any premiums paid for the shares or stock by the issue of which the same sum might be raised upon the said sum of 740,000 *l.* being subscribed for, and upon the sum of 100,000 *l.* being paid by the Carnatic Company into the Bank of England to the credit of the Secretary of State in Council :

And whereas the last-mentioned sum of 100,000 *l.* was in pursuance of the said agreement in that behalf paid by the Carnatic Company into the Bank of England to such credit as aforesaid :

And whereas the said tramway company was afterwards wound up in pursuance of the said agreement, and the Carnatic Company issued to the liquidators 3,000 fully paid-up shares in the capital of the company, and the liquidators were entered on the register of members of the company as owners of the said 3,000 shares, and such shares were then converted into the sum of 60,000 *l.* stock in the Carnatic Company, and such stock was distributed by the liquidators amongst the members of the said tramway company rateably, and in proportion to the respective amounts of the shares of or interest in the capital of the said tramway company held by them respectively :

And whereas by an indenture, dated the 1st day of March 1870, the said tramway company and liquidators, and the Carnatic Company surrendered to the Secretary of State in Council the said railway and land held by the said tramway company or the Carnatic Company under the said articles of agreement or otherwise for the residue of the said term of 99 years, so as aforesaid agreed to be granted therein to the intent that the same term might determine; and the Secretary of State in Council was by the same indenture released from his guarantee of dividend on the said sum of 100,000 *l.*, the capital of the said tramway company :

And whereas by an indenture also bearing date the 1st day of March 1870, and made between the Secretary of State in Council of the first part, the said tramway company of the second part, the several persons therein named being the liquidators of the said tramway company of the third part, and the Carnatic Company of the fourth part, it was, in pursuance and further performance of the said agreement in that behalf, amongst other things agreed that the Carnatic Company should alter the gauge of the said railway from Arconum to Conjeveram, and open an extension line of railway from Conjeveram to Cuddalore, or to such other place near Cuddalore as might be determined on, that the sum of 740,000 *l.* should be raised by the Carnatic Company for purposes of the indenture now in recital by the issue of shares or of debenture stock at a price to be fixed by the Secretary of State in Council, all premiums given for shares or stock were to be carried to an account "capital not bearing interest ;" and that the land required for the alteration of gauge and for the said extension line should be provided by the Secretary of State in Council, and that the said sum of 740,000 *l.* and the further sum which might be required for the purposes of the said extension line should be paid by the Carnatic Company into the Bank of England to the account of the Secretary of State in Council, to be from time to time drawn out for the purposes of the works, and that the land provided for the same railways when altered and completed should be leased to the Carnatic Company for the term of 999 years, from the 1st day of March 1870, and that the Carnatic Company might at any time after any portion of the said extension line should have been finished and in work for three calendar months, at least, surrender and relinquish their said railways to Her Majesty for the purposes of the Government of India on such terms, and the Secretary of State in Council should pay to the Carnatic Company for the same such sum of money as therein mentioned, and that the Secretary of State in Council might at any time during the first six calendar months after the expiration of the 20th year, computed from the date of the indenture now in recital, or at any time during the [illegible] after the expiration of any such tenth year, [illegible] up to and inclusive of the 990th year, computed [illegible] railways and works on the [illegible] in me[illegible] for the purchase of the same premises [illegible] of [illegible] tioned and that the Secretary of State in [illegible] during the said determinable term of 999 y[illegible] terest at the rate of 5 per centum per [illegible] *l.* stock in the Carnatic Company, and [illegible] 000 *l.* as therein mentioned,

mentioned, and that no interest should be paid by the Secretary of State in Council on moneys carried to the account of "capital not bearing interest," and that the net earnings which should be realised during any year after such deductions for working and management and other purposes as therein mentioned, should thenceforth belong to the Secretary of State in Council as part of the revenues of India, provided that in case in any year such net earnings should exceed the aggregate amount of interest payable for such year by the Secretary of State in Council under the covenants therein contained, then a moiety of such excess should belong and be paid to the Carnatic Company for their own use and benefit:

And whereas both the said railways agreed to be constructed by the Great Southern Company under the said indentures of the 1st day of September 1858 and the 21st day of April 1864 respectively, have been completed and opened, but no lease has yet been granted to the Great Southern Company by the Secretary of State in Council of either of the said railways, and the extension railway provided for by the said indenture of the 12th day of March 1872 has been selected, and works have been commenced thereon:

And whereas the alteration by the Carnatic Company of the gauge of the said railway from Arconum to Conjeveram, which was provided for by the said indenture of the 1st day of March 1870, has not been effected, and the construction of the said extension line from Conjeveram to Cuddalore, which was provided for by the same indenture, has not been commenced:

And whereas the aggregate amount of the capital which has been raised by the Great Southern Company for the purposes of their railways by the issue of shares or ordinary stock, exclusive of moneys representing premiums paid on the issue of shares or stock, but including moneys represented by shares or ordinary stock which have been taken in exchange for debentures, is the sum of 2,367,908 *l.*, and upon the sum of 2,017,908 *l.*, part of the last-mentioned sum, the Secretary of State in Council has agreed to pay to the Great Southern Company during the said term of 99 years, from the 1st day of January 1864, interest at the rate of 5 per centum per annum, and upon the sum of 350,000 *l.*, the residue of the said sum of 2,367,908 *l.*, the Secretary of State in Council has agreed to pay to the same Company during the same term interest at the rate of 4 *l.* 15 *s.* per centum per annum:

And whereas, besides the said sum of 2,367,908 *l.*, so as aforesaid raised by the issue of, or represented by shares or ordinary stock, the Great Southern Company have power under their said agreement with the Secretary of State in Council, to raise a further sum of 11,692 *l.*, which represents a portion of the capital subscribed for, but not yet called up, upon shares of 20 *l.* each. The Secretary of State in Council has agreed to pay to the Great Southern Company during the same term interest on the last-mentioned sum at the rate of 5 *l.* per centum per annum when the same shall have been paid into the Bank of England pursuant to the said agreement:

And whereas the aggregate amount of the capital which has been raised by the Great Southern Company for the purposes of their railways by the issue of debenture stock is the sum of 425,000 *l.*, and the Secretary of State in Council has agreed to pay to the Great Southern Company interest on the last-mentioned sum at the rate of 4 *l.* 10 *s.* per centum per annum:

And whereas the aggregate amount of the capital which has been raised by the Great Southern Company for the purposes of their railways by the issues of mortgages or debentures, and upon which the Secretary of State in Council is now liable to pay interest is the sum of 40,300 *l.*, and the rate of interest payable on the same sum is 5 *l.* per centum per annum, and the mortgages or debentures for securing the same sum are all convertible into shares or stock, and the Secretary of State in Council has agreed to pay the principal moneys due on such of the same mortgages or debentures as shall not be converted into shares or stock, and the Great Southern Company have power under their Acts to raise a further sum by the issue of mortgages, debentures, or debenture stock:

And whereas the aggregate amount of the capital which has been raised by the Great Southern Company, and carried to the account of "capital not bearing interest," is the sum of 36,000 *l.*:

And whereas a balance of cash is now standing in the Bank of England to the account of the Secretary of State in Council, which balance represents the

unexpended portion of the capital raised by the Great Southern Company for the purpose of their railways:

And whereas the aggregate amount of the capital which has been raised by the Carnatic Company by the issue of shares or ordinary stock, exclusive of moneys representing premiums paid on the issue of shares or stock, but including and treating as part thereof, and as if the same sum had represented cash of the same amount raised by the issue of stock, the said sum of 60,000 *l.* stock issued as mentioned in the said indenture of the 1st day of March 1870, is the sum of 769,041 *l.* 12 *s.*, and the Secretary of State in Council has agreed to pay to the Carnatic Company during the said term of 999 years interest upon that sum at the rate of 5 *l.* per centum per annum, and besides the said sum of 769,041 *l.* 12 *s.* so as aforesaid raised by the issue of shares or ordinary stock, the Carnatic Company have power under the last-mentioned indenture to raise a further sum of 30,958 *l.* 8 *s.*, which represents a portion of the capital subscribed for, but not yet called up upon 1,759 shares of 20 *l.* each, and the Secretary of State in Council is under the same indenture liable to pay to the Carnatic Company interest on the last-mentioned sum at the rate of 5 *l.* per centum per annum when the same shall have been paid into the Bank of England pursuant to the same indenture:

And whereas the aggregate amount of the capital which has been raised by the Carnatic Company and carried to the account of capital not bearing interest is the sum of 22,200 *l.*:

And whereas a balance of cash is now standing in the Bank of England to the account of the Secretary of State in Council, which balance represents the unexpended portion of the capital raised by the Carnatic Company for the purposes of their railway:

And whereas the aggregate amount of the said sums of 2,367,908 *l.* and 769,041 *l.* 12 *s.*, so as aforesaid represented by shares or ordinary stock in the Great Southern and Carnatic Companies respectively, is the sum of 3,136,949 *l.* 12 *s.*, and the aggregate amount of the said sums of 11,692 *l.* and 30,958 *l.* 8 *s.*, which the Great Southern and Carnatic Companies respectively have as aforesaid power to raise, and which represent uncalled-up capital as aforesaid, is the sum of 42,650 *l.* 8 *s.*, and the aggregate amount of the said sums of 36,000 *l.* and 22,200 *l.*, so as aforesaid carried by the same companies respectively to the account of capital not bearing interest is the sum of 58,200 *l.*:

And whereas application is about to be made to Parliament for an Act to amalgamate the Great Southern Company and the Carnatic Company under the name of the South Indian Railway Company, and a Bill for an Act has been already settled and agreed on, and it is proposed that these presents should be confirmed by the said Act, and that the said Act shall commence on the 1st day of July 1874:

And whereas it has been agreed that the Secretary of State in Council shall co-operate with the amalgamated Company in the construction of the line of railway from Trichinopoly to Tuticorin, so as aforesaid selected, and also of a line of railway from Madras to Tanjore in the manner and upon the terms hereinafter mentioned:

And whereas it is intended that wherever the words "the Company" are used in these presents, they shall mean the amalgamated company, and that wherever the words "the original lines" are used in these presents they shall mean the said lines of railway from Negapatam to Trichinopoly, and from Trichinopoly to Errode, and from the Arconum Junction to Conjeveram, and the telegraphs and works connected therewith respectively, and that wherever the words "the extension lines" are herein used, they shall mean the said projected lines of railway from Trichinopoly to Tuticorin, and from Madras to Tanjore, and the telegraphs and works connected therewith respectively, and that wherever the words "the railway" are herein used, they shall mean and include all the said lines of railway and the telegraphs and works connected therewith respectively:

And whereas the agreement hereby entered into on behalf of the Secretary of State in Council is so entered into with the concurrence of a majority of votes at a meeting of the Council of India:

Now

NOW THIS INDENTURE WITNESSETH, that in consideration of the premises, each of the said parties hereto doth hereby agree with the other of them as follows:—

All accounts to be wound up to the 30th day of June 1874, inclusive.

1. That all accounts and transactions between the Secretary of State in Council, and the great Southern Company and the Carnatic Company respectively, whether such accounts and transactions shall have arisen out of, or been connected with, or related to the contracts hereinbefore recited, or otherwise, shall be finally made up, wound up, and settled to the 30th day of June 1874, inclusive.

Rate of exchange to be 1 *s.* 11 *d.* per Government rupee.

2. That in making up and settling such accounts, in every case in which it shall be, or shall have been necessary for any purpose to fix a rate of exchange, either in respect of past or present transactions, such rate shall be deemed to have been and shall be at one fixed rate of 1 *s.* 11 *d.* per Government rupee. And in every case in which any transaction may have taken place on the footing of a different rate, such transaction shall for this purpose be opened, and the last-mentioned rate be substituted, it being intended that this clause shall have a retrospective operation, and in every transaction which may hereafter take place between the Secretary of State in Council and the company, the rate of exchange shall also be 1 *s.* 11 *d.* per Government rupee.

Existing contracts to be rescinded as from the commencement of the Act.

3. That as from and after the 30th day of June 1874 all contracts and agreements then subsisting between the Secretary of State in Council, and the Great Southern Company and the Carnatic Company, respectively contained in the hereinbefore recited indentures, or any of them as hereinbefore mentioned or referred to, and all other contracts and agreements whatsoever between the Secretary of State in Council and the same two companies respectively, shall be rescinded and cease to be binding or have any effect, and these presents shall, as from the last-mentioned day, be substituted for the contracts and agreements so rescinded, and shall thenceforth be the only contract in force between the Secretary of State in Council and the company.

Selection of line.

4. That it shall be lawful for the Secretary of State in Council to determine, fix upon, and select the route and direction of an extension line of railway to commence at or near to Madras, and to proceed to, or near to Tanjore, and the company will at their expense, in addition to any surveys and estimates which have been already made, make such further surveys and frame such further estimates as the Secretary of State in Council may think necessary and require, to enable him to ascertain with more particularity the probable cost of such line, and that such further surveys shall be conducted and further estimates framed under such supervision and in such manner in all respects as the Secretary of State in Council shall direct.

Notice of line.

5. That the Secretary of State in Council shall give notice to the Company of the line to be so selected as aforesaid, or of any part or parts thereof as such part or parts shall from time to time be fixed upon, and it shall be lawful for the Secretary of State in Council from time to time, or at any time, to alter the route or direction of the extension lines, or either of them, or to extend or limit the same respectively as he shall think fit. Provided always, that if such alteration of route or direction shall be made after the extension lines or line shall have been commenced in a previously selected route or direction, the expense of the same lines or line, or in any way incident to such alteration, shall be considered as properly incurred by the Company.

Land.

6. That the Secretary of State in Council will from time to time, as may be necessary, provide the land which shall be required for the extension lines respectively, or for the part or parts thereof respectively selected as aforesaid, and for the works connected with the same lines respectively, and for proper stations, offices, warehouses, and such other conveniences for the same respectively as the Secretary of State in Council may determine to be necessary or desirable, and shall give to the company possession thereof, and that all land of which possession shall be so given to the company which shall not be permanently required for the purposes of the railway, shall, as soon as practicable, be restored and delivered up by the company to the Government of India for the use of Her Majesty, her heirs and successors, for the purposes of the Government of India.

 7. That

Works.

7. That the company shall, subject to the supervision and control hereinafter prescribed as to the extension lines which have been commenced, viz., from Trichinopoly to Tuticorin, and from Madras to Tanjore, forthwith proceed with diligence in the construction of the extension lines, and of all such stations, offices, warehouses, fixed machinery, and other works and conveniences, including works for the defence of stations, bridges, or any other building or structure connected with the railway as in the opinion of the Secretary of State in Council (such opinion to be certified in writing under the hand of some officer of the Government) shall be necessary or expedient, as well with reference to the original construction of the railway and the working thereof, as with reference to the permanent maintenance thereof, and its defence against hostile attacks and protection from injury or destruction by inundation, tempests, or other causes whatsoever. Provided always, that if the costs incurred in the erection of such defences shall exceed the sum for which such stations, bridges, or other buildings or structures might have been constructed as efficient defences for the purposes of the railway, only such excess shall be paid by the Government, the question of such efficiency and the amount of such excess being determined by the Secretary of State in Council, and the said extension lines shall be made on such gauges or gauge, and with such gradients as the Secretary of State in Council shall, in writing, direct; and the railway shall be furnished with rails of such weight and strength as the Secretary of State in Council may direct; and such rails shall be laid down and secured in such manner, and shall consist either of a single or double line of rails as the Secretary of State in Council shall in writing direct, and the railway shall, if required by the Secretary of State in Council, and at such time or times as he shall in writing require, be kept or be provided with an electric telegraph constructed along all of such part or parts of the railway, and upon such principle and under such regulations as to its use and the terms of its use as the Secretary of State in Council shall in writing direct or approve of; and the Company shall from time to time attend to, execute, and perform all such directions in writing as may from time to time be given by the Secretary of State in Council for any deviations from or alterations in any directions or requisitions previously made or given with respect to the railway or to the premises; and the Company shall, as soon as both or either of the extension lines shall be completed, as the case may be, for such a distance as in the opinion of the Secretary of State in Council shall be desirable, open the same respectively for the conveyance of passengers and goods.

Opening.

8. That it shall be lawful for the Secretary of State in Council from time to time, by notice to the Company, to require any specified part or parts of the extension lines, or of either of them, to be completed as aforesaid, and to be opened for the conveyance of passengers and goods before the remaining part or parts thereof respectively shall be constructed, and such requisitions shall be complied with and fulfilled by the Company, and if at any time or times it shall in the opinion of the Secretary of State in Council be desirable that a double line of rails, or any additional line of railway, shall be constructed, in addition to any line of railway then already constructed, for the purpose of relieving the traffic on any portion of such line or lines, and for providing further accommodation or for any other purpose, and the Secretary of State in Council shall give to the Company notice in writing to construct such additional line or lines, the Company will forthwith construct the same on the same or similar terms to those herein provided as to the extension line or lines.

Money capital.

9. That the Company shall pay into the Bank of England, to the account of the Secretary of State in Council, the said sum of 42,650 *l.* 8 *s.* sterling, so representing uncalled-up capital as aforesaid, by such instalments and at such times as the Secretary of State in Council may require, and such payments may be made in London: provided always, that if the Company shall receive any portions of the said sum of 42,650 *l.* 8 *s.* in India it shall be lawful for them to pay the amount so received into the treasury at Madras in or towards satisfaction of the said instalments, and the acknowledgments of such respective payments there shall, when produced to the Secretary of State in Council in London, be considered and taken as payments on the respective days of payment thereof, in part satisfaction of the said sum of 42,650 *l.* 8 *s.*, at the exchange of 1 *s.* 11 *d.* for each Government rupee: provided always, that such payments into the treasury

treasury at Madras shall not exceed the amounts which may from time to time be required for expenditure in India, such limit being determined upon by the Secretary of State in Council.

Drafts on capital.

10. That as often as and when any money shall be required by the Company for any works or purposes which shall have been sanctioned by the Secretary of State in Council, and which are about to be executed, or in course of execution, or have already been performed, to the satisfaction of the Secretary of State in Council, such moneys may be drawn in such sums as shall from time to time be necessary by the Company in London or in India, according to such arrangements as shall be made from time to time with the Secretary of State in Council for that purpose, but 10 days' notice of every such draft or proposed draft shall be given to the Secretary of State in Council, or to the Government in India, or to such authority as the Government in India may direct, and all sums of money which shall be so drawn in India shall be set off at the exchange of 1*s.* 11*d.* for each Government rupee against any money which may have been paid into the Bank of England to the account of the Secretary of State in Council, and the Company shall not in any case be entitled to draw in London or in India to an extent greater than the balance in their favour for the time being.

Plant, fares, and tolls.

11. That as to the original lines, and every part of the extension lines which shall for the time being have been completed, the Company will at all times, subject to the supervision and control hereinafter mentioned, provide, to the satisfaction of the Secretary of State in Council, a good and sufficient working stock of engines, carriages, and other plant and machinery, for working the railway, or such part or parts thereof as shall have been completed as aforesaid, and for carrying on the business and traffic of the same, and the Company shall carry on the business of common carriers of goods and passengers upon the railway, and for that purpose shall cause to be run on the railway so many trains at such time and at such rates of speed, and between such places, and with such conveniences and accommodations as the Secretary of State in Council shall from time to time require. And the Company shall at all times allow the use of the railway to the public on such terms as shall be approved by the Secretary of State in Council; but the Company shall be empowered to charge such fares for the carriage of passengers and goods, and such tolls for the use of the railway as they shall think fit, provided such fares and tolls respectively shall never exceed a maximum rate, to be from time to time fixed for the same respectively, and altered, if need be, by the Secretary of State in Council, which maximum rates respectively shall, when such net receipts as are herein mentioned shall in any year have exceeded 10 per cent. upon the whole capital outlay, be reduced in accordance with any requisition of the Secretary of State in Council in that behalf, but only with a view of limiting the said fares, rates, and tolls so far that the net receipts shall not exceed 10 per cent. as aforesaid.

Title to land.

12. That the Secretary of State in Council will, when required so to do by the Company, grant to the Company a lease of or otherwise secure to them a right and title to the land which has been provided for the original lines, and for the works and conveniences belonging thereto respectively, or for any of such lines respectively, for a term of 999 years, commencing from the 1st day of March 1870, unless the same shall be sooner determined under the provisions herein contained, and upon completion of the extension lines or either of them, or of any part or parts thereof respectively, which shall have been required by the Secretary of State in Council to be completed before the construction of the remaining part, the Secretary of State in Council shall grant to the company a lease of, or otherwise secure to them, a right and title to the land which shall have been provided under the provisions hereinbefore contained, or of so much thereof as shall be required for the completed line, and for the works and conveniences thereto belonging for a term of 999 years, commencing from the said 1st day of March 1870, unless the same shall be sooner determined under the provisions herein contained, and the Secretary of State in Council shall guarantee to the company the right to and possession of all such land so to be leased, as against any claimant, but shall not be called upon to show any title thereto.

Supervision. Government Director may be appointed. His powers and privileges.

13. That the Secretary of State in Council may from time to time during the construction of the said extension lines respectively, give to the Company their officers, servants, and agents all such orders and directions as the Secretary of State

State in Council shall think fit with reference to the time, cost, and manner within, at, and in which respectively the extension lines respectively, or any part or parts thereof respectively, shall be constructed, carried on, and completed, and the company will strictly comply with, execute, and perform all such orders and directions, and the company and their officers, servants, and agents, as also their accounts and affairs, shall in all things, at all times, be subject to the superintendence and control of the Secretary of State in Council, as well in England, as elsewhere, and in particular that no bye-laws, contracts, orders, directions, proceedings, works, or undertakings, acts, matters, or things whatsoever shall at any time be made, done, entered into, commenced, or prosecuted by or on the part of the company, unless previously sanctioned in writing by the Secretary of State in Council, or by the Executive Government in India, or in some other manner to be prescribed by the Secretary of State in Council, or by the Executive Government in India, and that no moneys shall be raised by the company by any other means than by calls upon or payments in respect of the shares or stock of the company without the sanction of the Secretary of State in Council in writing, and no extension in the number of shares in the company or in the amount of its stock or capital shall be made unless sanctioned in like manner, and generally that it shall be lawful for the Secretary of State in Council from time to time to give to the company, their officers, servants, and agents all such orders and directions as the Secretary of State in Council shall think fit, with reference to the railway and with reference to any contracts, orders, and directions to be entered into, made, or given, with regard thereto, and otherwise, with reference to the same, all which contracts, orders, and directions shall be executed and followed by the company to the satisfaction of the Secretary of State in Council; the costs and expenses of the same which shall have been allowed and sanctioned by the Secretary of State in Council being paid out of the capital of the Company, and that for better enabling the Secretary of State in Council to exercise the control and direction intended to be hereby secured, the company shall record and keep in proper books for that purpose full and particular accounts of all their transactions and proceedings, including full and true minutes of all their meetings, meetings of directors, communications with India, and correspondence so as at all times to exhibit thereby fully and truly the state of their affairs and proceedings, and that the Secretary of State in Council and any person or persons appointed by him in that behalf shall at all reasonable times have free access to all the books, accounts, papers, and documents of the company (except communications between the company and their legal advisers), and power to make copies of or extracts from the same, whether such books, accounts, papers, and documents, relate to the railway and works or any of them, or to any other matters and things whatsoever in which the company shall or may be interested, and for the purpose aforesaid it shall be lawful for the Secretary of State in Council from time to time to appoint any one person not being a shareholder of the company to be a director of the company in addition to the directors of the company for the time being appointed by the shareholders, and whether the number of the other directors shall be complete or not, which director shall be called the Government Director, and if, and when appointed, shall rank as and be one of the board of directors of the company, and be entitled in all things to act as such, and to exercise at his discretion a right of veto in all proceedings whatsoever at boards of the said directors, except proceedings for the purpose of communicating with the legal advisers of the company, and shall not be removable except by order of the Secretary of State in Council. And further, it shall be lawful for the Secretary of State in Council from time to time to appoint any one person, not being a shareholder of the company, to be called the Deputy Government Director, who shall have power to perform all the functions of the Government Director in his absence, and everything done by the Deputy Government Director in the place or on behalf of the Government Director shall have the same effect as if done by the Government Director in person. Provided always that the Secretary of State in Council shall not be authorised to appoint any officer or servant connected with the company, except such Government Director and Deputy Government Director as aforesaid, and neither the said Government Director nor the said Deputy Government Director shall be entitled to or receive any salary from the company.

14. That

14. That all the expenses of the company shall from time to time be stated and submitted to the Secretary of State in Council for his sanction and approval, and as between the company and the Secretary of State in Council shall be allowed so far only as the same shall from time to time be sanctioned and approved by the Secretary of State in Council. Provided always that the last-mentioned stipulation shall not interfere with any such subsidiary agreement or agreements (if any) as from time to time may be made between the company and the Secretary of State in Council for the performance of any part or parts of the railway at any sum or sums of money to be specified in such subsidiary agreement or agreements, in which case the expenses in respect of the same shall be allowed and taken at the sum or sums which shall be agreed upon. Sanction of expenditure.

15. That a capital account relating to the construction of the railway and the works, conveniences, and telegraphs thereto belonging and relating to the original cost of engines, carriages, plant and machinery, to be called "The Capital Account of the South Indian Railway Company," shall be kept by the Company, to which account all moneys paid by the Company, the expenditure of which shall have received the sanction and approval of the Secretary of State in Council, shall from time to time be carried, and at any time or times, if the Secretary of State in Council shall so require, the said capital account shall be made up, and a statement shall be furnished to the Secretary of State in Council of the aggregate amount of capital, which according to such account shall have been expended, and such amount shall by examination of such account be ascertained and certified by the Secretary of State in Council, and the cost of maintaining the railway, with its machinery and stock in good working condition, shall as to the original lines at all times, and as to the extension lines respectively from the expiration of two years next after the opening of the same respectively, or any part or parts thereof respectively, be payable by the Company out of the revenue of the Company, including any interest to be received from the Secretary of State in Council as hereinafter is mentioned, but upon any additions, alterations, or improvements such as shall properly be chargeable to the capital account being thereafter made with the sanction and approval of the Secretary of State in Council, to, of, or in the said railway, or the works, conveniences, or telegraphs thereto belonging, or the engines, carriages, and other plant and machinery belonging thereto, the cost necessarily incurred in executing such additions, alterations, or improvements shall be added to the said capital account: And if it shall happen that any liability shall be incurred to third persons for consequential damage caused by any works executed by the Company, under the sanction or authority of the Secretary of State in Council, all expenses necessarily incurred in satisfying the same shall be paid by the Company, and added to the said capital account, and the said capital account shall from time to time be made up and stated afresh as occasion shall require, and be ascertained and certified accordingly Capital account.

16. That the Company shall at all times during the said determinable term of 999 years, keep the railway, or so much thereof as shall be completed and opened for traffic, and the works and conveniences belonging thereto, and the telegraphs on or belonging to the same, in a state of good repair and in good working condition, to the satisfaction of the Secretary of State in Council, and shall keep the railway fully provided with rolling stock and plant in good repair, and adequate to the service thereof, to the satisfaction of the Secretary of State in Council. Repair and maintenance of rolling stock.

17. That the Company shall in such forms and under such heads or divisions as shall be prescribed by the Secretary of State in Council, keep accounts of all receipts and payments whatsoever in respect of the railway other than such receipts and payments as properly belong to the capital account hereinbefore agreed to be kept, and such accounts shall be called "The Revenue Account" of the South Indian Railway Company, and shall be made up half-yearly to the 30th day of June and the 31st day of December, both inclusive, in every year, or to such other days in the year as the Secretary of State in Council shall from time to time appoint, and shall be regularly transmitted to the Secretary of State in Council, who shall be at liberty at all times in auditing the same accounts to make any corrections therein which may be necessary. Revenue account.

Deposit of revenue and drafts thereon.

18. That all earnings received by or on account of the Company in India, shall be paid at such times and in such manner as the Secretary of State in Council shall direct, without any deduction under any pretence whatever, into the treasury of the Government of India at Madras, to an account to be kept separately to be called "The Revenue Account" of the South Indian Railway Company, and when any money shall be required by the Company for any purpose sanctioned by the Secretary of State in Council, or by the Executive Government of India, such money may be drawn by the Company according to such arrangements as shall from time to time be made with the Secretary of State in Council, or the Executive Government of India for that purpose.

Guarantee of interest on capital already raised by shares and on capital to be hereafter raised.

19. That the Secretary of State in Council shall from time to time during the said determinable term of 999 years, pay out of the revenues of India to the Company in London half-yearly on the 31st day of December and the 30th day of June in every year, interest on the sum of 2,786,949 *l.* 12 *s.* sterling, at the rate of 5 *l.* per centum per annum, and interest on the sum of 350,000 *l.* sterling, at the rate of 4 *l.* 15 *s.* per centum per annum, the first payment of such interest to be made on the 31st day of December 1874, and to be computed from the 30th day of June 1874, and the Secretary of State in Council shall from time to time during the said determinable term of 999 years pay out of the revenues of India to the Company in London half-yearly, on the 31st day of December and the 30th day of June in every year, interest at the rate of 5 *l.* per centum per annum on such part of the said sum of 42,650 *l.* 8 *s.* sterling, as shall for the time being have been paid into the Bank of England to the account of the Secretary of State in Council, or into the Treasury in India as aforesaid, the first payment of the interest on such part of the said sum of 42,650 *l.* 8 *s.* as shall bear interest being considered in the first instance as running from the day on which the same part shall have been so paid into the Bank of England, or into such treasury in India to such account as aforesaid.

Excess above.

20. That if the expenditure of the Company in making the extension lines or otherwise in respect of the matters to be included in the said capital account relating to the railway, shall exceed the aggregate amount of the said balances of cash so as aforesaid standing in the Bank of England to the account of the Secretary of State in Council as aforesaid, plus the said sum of 42,650 *l.* 8 *s.*, the money necessary to meet such excess shall be raised and paid by the Company into the Bank of England, to the account of the Secretary of State in Council, and the Secretary of State in Council shall from time to time during the then residue of the said determinable term of 999 years, pay out of the revenues of India to the Company half-yearly, on the days aforesaid, interest on all such moneys, whether the same shall be raised by the issue of shares or of ordinary or debenture stock, or on loan at such rate or rates per annum as may be mutually agreed on, such interest in the said respective cases to be calculated from the respective times when the same moneys shall have been paid, into the Bank of England as aforesaid: Provided always that the price, mode, and terms in and on which any further moneys shall be raised, or capital created, shall in all respects be determined on and fixed by the Secretary of State in Council, and the raising, creation, and issue of such moneys and capital respectively, shall be in all respects subject to his sanction, and under his superintendence and control, and that in case of any moneys being raised by payment of a premium for shares or stock, the Secretary of State in Council shall not pay any interest on such premium, but the same shall be carried to the account to be headed "Capital not bearing Interest."

Guarantee interest on existing debenture stock.

21. That the Secretary of State in Council will, from time to time, during the said determinable term of 999 years, pay out of the revenues of India, to the Company in London half-yearly, on the 31st day of December, and the 30th day of June in every year, interest at the rate of 4 *l.* 10 *s.* per centum per annum, on the said sum of 425,000 *l.* debenture stock, and will, on the expiration or the earlier determination under any of the provisions of these presents of the said determinable term of 999 years, hereby agreed to be granted, thenceforth and for ever thereafter pay interest at the like rate to the respective holders of the same debenture stock on the amount of the stock for the time being held by him or them, and the first payment of such interest shall be made on the 31st day of December 1874, and shall be computed from the 30th day of June

June 1874: Provided always, and it is hereby expressly declared and agreed, that if any holder of any part of the said debenture stock shall during the said term of 999 years require to be paid, and shall be paid directly by the Secretary of State in Council, any interest on the debenture stock held by him, the amount of the interest so paid shall be deducted from the sum which under this present clause would otherwise have been payable to the Company by the Secretary of State in Council.

Application of money standing to the account "Capital not bearing interest."

22. That the said sum of 58,200 *l.* shall be carried to the account, to be headed "Capital not bearing interest," and all moneys which shall for the time being be standing to the same account shall in all other respects except bearing interest be treated as capital, and be applicable for all the purposes for which the capital which does bear interest is or shall be applicable.

Guarantee of principal and interest on existing debentures.

23. That the Secretary of State in Council will from time to time as often as and when the half-yearly interest payable in respect of such of the mortgages or debentures issued in respect of the said sum of 40,300 *l.* as shall not previously to the time for payment of interest have been exchanged for shares or stock, shall become due, and so as duly to provide for the payment of such interest, pay out of the revenues of India the amount of such interest into the Union Bank of London, or other the bank for the time being of the Company, to an account to be called "The South Indian Railway Mortgage Account," and will, on the respective days on which the principal moneys secured by such mortgages or debentures are appointed to be paid, duly pay out of the revenues of India to the same account the amount of the principal sums payable on such respective days, on such of the said mortgages or debentures as shall not previously to such days respectively have been exchanged for shares or stock, and that notwithstanding anything contained in any mortgages or debentures executed and issued as aforesaid, the Company shall not be subject or liable to any action or suit at law, or in equity, upon, or by virtue of such mortgages or debentures, but that the Secretary of State in Council will at all times hereafter (the costs and charges being defrayed out of the revenues of India) well and sufficiently protect, save harmless, and keep indemnified, the Company, and their lands, tenements, goods, chattels, and effects whatsoever, of, from, and against all actions, suits, losses, costs, charges, damages, and expenses whatsoever, which they shall or may suffer, sustain, expend, or be put unto, or which shall or may be commenced, instituted, sued, or prosecuted against them by reason, or in consequence of, the said mortgages or debentures, or any of them: Provided always and it is hereby expressly declared and agreed, that if any holder of any of the mortgages or debentures issued in respect of the said sum of 40,300 *l.* shall require to be paid, and shall be paid directly by the Secretary of State in Council, any principal moneys or interest due to him in respect of his mortgages or debentures, the amount of the principal moneys or interest so paid shall be deducted from the sums which under this present clause would otherwise have been payable for principal, or interest, as the case may be, by the Secretary of State in Council to the Company.

Guarantee on stock to be taken in exchange for debentures.

24. That upon the holder of any of the mortgages or debentures issued in respect of the said sum of 40,300 *l.*, availing himself of the option given to him under the terms of his mortgage, and exchanging the said mortgage or debenture for shares or stock in the Company to the same amount the Secretary of State in Council shall, during the then residue of the said determinable term of 999 years hereby agreed to be granted, pay out of the revenues of India to the Company, half-yearly, on the 30th day of June, and the 31st day of December in every year, interest at the rate of 5 *l.* per centum per annum on the capital sum represented by the mortgages or debentures which shall have been so exchanged, such interest being considered in the first instance as running from the last day on which interest shall have become payable on the same mortgages or debentures previously to the exchange thereof for shares or stock.

Principal moneys paid by Secretary of State in Council to be treated as capital contributed to the joint stock of the company.

25. That all moneys which, under the covenant in that behalf contained in the 23rd clause of these presents, shall be paid by the Secretary of State in Council in satisfaction of the principal moneys secured by such of the mortgages or debentures issued in respect of the said sum of 40,300 *l.* as shall not be exchanged for shares or stock, shall be treated and considered as capital contributed by the Secretary of State in Council out of the revenues of India to the joint

joint stock of the Company, and in order to give full effect to the rights of the Secretary of State in Council in respect of the capital so contributed, the Secretary of State in Council shall be at liberty at any time to name a person or persons into whose name or names, as trustee or trustees, for Her Majesty, on account of the Government of India, an equivalent number of shares, or amount of capital stock, may be placed and registered, and thereupon such shares or capital shall be so entered and registered accordingly, and such person or persons shall be and possess all the rights of shareholders or stockholders in the Company, including the right to receive or be allowed a due proportion of any moneys payable by the Secretary of State in Council to the Company on the surrender or resumption of the railway under any clause herein contained.

Share capital may be increased to pay off debentures.

26. That in order to give effect to the option so as aforesaid given and to be given to the holders for the time being of the said mortgages or debentures issued in respect of the said sum of 40,300 *l.* of exchanging such mortgages for shares or stock in the Company in case such option shall be exercised by such holders for the time being of the said mortgages or debentures, or any of them, it shall be lawful for the said Company, and they are hereby authorised and required by the Secretary of State in Council to issue from time to time, as occasion shall require, additional shares or stock in their capital to a further amount not exceeding the said sum of 40,300 *l.*, and to allot such shares or stock to be so issued from time to time to the holders for the time being of the said mortgages or debentures, or any of them who shall exercise such option of exchanging their respective mortgages or debentures for shares or stock in exchange for the mortgages or debentures in respect of which such option shall be so exercised as aforesaid.

Application of profits.

27. That as from the 1st day of July 1874, during the said determinable term of 999 years, the whole net receipts which shall be realised during any half year on the railway, or any part thereof, after deducting all money which shall have been expended in the repairs and maintenance of the railway and the repair and restoration of the rolling stock and plant belonging thereto, and in working the railway, and in the management and conduct of the Company and its affairs, and which shall have been allowed or sanctioned by the Secretary of State in Council, and also deducting such sums (if any) as with the sanction of the Secretary of State in Council may have been appropriated and set apart for repairing, restoring, and making good any deterioration of the railway and works, or stock and plant (the money to be so appropriated and set apart as a reserve fund, or any part thereof being invested and accumulated, or otherwise dealt with till required, for application in any manner the Company may think fit, subject to the sanction and approval of the Secretary of State in Council) shall belong to the Secretary of State in Council as part of the revenues of India: Provided always that in case in any half year such net receipts, after making such deductions as aforesaid, shall exceed the aggregate amount of interest payable for such half year by the Secretary of State in Council under the covenants herein contained, then and in every such case a moiety of such excess shall belong and be paid to the Company for their own use and benefit.

Mails and troops.

28. That the Company will at all times during the said determinable term of 999 years convey on the railway the Government mails and postbags, and the guards and other servants of the Post Office in charge thereof free of charge, and when on duty all officers and persons in the administration of the Post Office also free of charge, and provide, free of cost, sorting carriages and any other kind of vehicle which the Secretary of State in Council may consider to be requisite for the purposes or convenience of the Post Office and its officials, and convey on the railway, when on duty, the troops in Her Majesty's service, both horse and foot, and all other persons to whom the provisions of the Mutiny Acts and regulations for the time being in force for Her Majesty's European and Indian Forces respectively shall be applicable, and all officers and men belonging to the police force, and all artizans on the business of the Government, and all officers' servants accompanying their master when on duty, and the officers and persons of similar station in life shall be entitled to travel in first class carriages at second-class fares, with the privileges as first class passengers in respect to baggage,

baggage, and the troops and men belonging to the police force and European artizans and officers' servants shall be entitled to travel in second-class carriages at the lowest fares with the privileges of second-class passengers in respect to baggage, and all other persons hereby agreed to be carried shall be entitled to travel at the lowest fares, with two tons of baggage free of charge for every 100 men so carried, and the Company will also at all times convey on the railway all general stores belonging to the Government, and all guns, ammunition, horses, and other animals used for military purposes, and all military stores, carriages, waggons, camp equipage and equipments whatsoever at the lowest rate for the time being chargeable for the carriage of such animals, goods, and merchandise, the several privileges of conveyance and carriage hereby stipulated for being at all times to be used and enjoyed in preference to and priority over the public use of the railway for conveyance and carriage.

Ultimate rights of property.

29. That at the expiration by effluxion of time of the said term of 999 years hereby agreed to be granted, the land provided and to be provided in pursuance of these presents, with the railways thereon respectively, and all buildings, works, fixed machinery, telegraphs, and conveniences whatsoever, shall revert to and become the property of Her Majesty, her heirs and successors, for the purposes of the Government of India, free from all debts and charges whatsoever (save such as shall have been sanctioned by the Secretary of State in Council), and any lands in Great Britain which may then be held by the Company for the purposes of their business, shall be sold, and the clear moneys produced by such sale shall be paid into the Bank of England to the account of the Secretary of State in Council, and the Company shall deliver to the Secretary of State in Council for the purposes of the Government of India all plans, surveys, sections, books, printings, writings, drawings, and documents whatsoever in anywise connected with the undertakings and affairs of the Company, and the Company shall sell, and the Secretary of State in Council on behalf of Her Majesty, and for the purposes of the Government of India, shall purchase all the engines, carriages, stock, machinery, and plant which shall be then used in working the railway in connection therewith or belonging thereto, for such sum of money as shall be the fair value thereof, the same to be determined in case of difference by a valuation to be made by referees or by their umpire to be respectively appointed in the usual manner, and the Secretary of State in Council shall pay out of the revenues of India to the Company in London the sum of money to be so determined within four months after such determination, with interest thereon at the rate of 5 *l.* per centum per annum from the expiration of the said term of 999 years hereby agreed to be granted.

Surrender.

30. That it shall be lawful for the Company at any time hereafter during the said determinable term of 999 years, but not until some portion of the extension lines shall have been finished and in work for three calendar months at least, to give notice in writing of their intention to surrender and relinquish the railway and works to Her Majesty, for the purposes of the Government of India, on any day to be mentioned in such notice, so that such notice be served at least six calendar months before that day, both on the Secretary of State in Council in London, and also on the Secretary of Government at Madras, and in case of such notice being given the Company shall at the expiration thereof surrender and relinquish to Her Majesty, for the purposes of the Government of India, the railway and works accordingly, together with the telegraphs, and shall with all convenient speed sell any lands in Great Britain which may then be held by the Company, for the purpose of their business or undertaking, and pay the clear moneys to be produced by such sale into the Bank of England, to the account of the Secretary of State in Council, and shall deliver to the Government of India, or their authorised agents, on behalf of Her Majesty, for the purposes of such Government, the engines, carriages, stock, plant, and machinery belonging to the railway and works, and all plans, surveys, sections, printings, writings, drawings, and documents whatsoever connected with the undertakings and affairs of the Company, and the premises to be so surrendered and delivered shall be accepted and received accordingly, it being expressly agreed that the railway works, stations, telegraphs, engines, carriages, stock, plant and machinery, shall at the time of such surrender and delivery be in good working order, according to the covenant in that behalf hereinbefore contained on the part of the Company, and immediately upon such surrender and delivery being made

made the Secretary of State in Council shall be bound to pay out of the revenues of India to the Company the sum of 60,000 *l.* sterling, being part of the said sum of 3,136,949 *l.* 12 *s.*, which is represented by the said sum of 60,000 *l.* stock, issued as mentioned in the said indenture of the 1st day of March 1870, and also so much of the residue of the said sum of 3,136,949 *l* 12 *s.* as has or shall have been expended, with the sanction of the Secretary of State in Council, and also such other capital as shall be raised upon shares or ordinary stock of the Company, and be expended by the Company, with the sanction of the Secretary of State in Council, upon the railway works and premises so to be surrendered and delivered, and whether such capital shall have borne interest or not (the capital so to be paid being ascertained and certified in the manner hereinbefore mentioned), and also such amount of capital as having been raised originally on mortgage or debentures, and been expended in the like manner, shall have been converted into shares or ordinary stock of the Company, and also such parts (if any), of the capital raised for the purposes of the railway by the issue of shares or ordinary stock as shall remain in the Bank of England to the account of the Secretary of State in Council, and to discharge and indemnify the Company from all debts and liabilities incurred with the sanction of the Secretary of State in Council, and thereupon all covenants by the Secretary of State in Council hereinbefore contained for payment of interest on moneys raised by the issue of shares or ordinary stock of the Company, or on capital represented by shares or ordinary stock taken in exchange for mortgages or debentures, shall cease as from the day upon which the railway shall be surrendered and accepted, and all claims by the Secretary of State in Council on account of interest on the Company shall also cease, and the Secretary of State in Council shall be at liberty to retain out of any moneys payable to the Company, the amount of all claims and demands of any sort then existing against the Company on their revenue account, in respect of their undertakings, and which shall not be shown to have been fully satisfied and discharged. Provided always that the Secretary of State in Council shall not be liable to refund any moneys expended in the maintenance and working of any part of the railway after the same part shall have been opened for two years, which moneys, except in the case of any part of the railway having to be maintained out of capital for two years from the opening thereof, are to be provided by the Company out of the revenues of the railway, and interest as hereinbefore provided or otherwise.

Purchase.

31. That at any time during the first six calendar months after the 1st day of March 1890, or at any time during the first six calendar months after the 1st day of March 1905, or at any time during the first six calendar months after the expiration of any succeeding tenth year, computed from the 1st day of March 1905, up to and inclusive of the 995th year, computed from the 1st day of March 1870 (in case no surrender shall have been made by the Company under the last preceding clause, it shall be lawful for the Secretary of State in Council to give notice to the Company in London, and at Madras, or elsewhere in India, of his intention to purchase on behalf of Her Majesty, for the purposes of the Government of India, the railway and works, together with the stations and telegraphs (if any), and the engines, carriages, stock, plant, and machinery belonging to the railway, but subject to such debts and liabilities (if any) as may have been incurred to Her Majesty, or to the Secretary of State in Council, or to any person or persons, with the sanction of the Secretary of State in Council, and to interest on such of the said debts as carry interest from the day on which possession shall be taken of the railway, but not from any earlier time, and thereupon at the half-yearly day next but one following such notice the land provided, and to be provided as aforesaid, with the railways thereon respectively, and all buildings, works, fixed machinery, stations, telegraphs, and conveniences whatsoever connected therewith respectively, shall revert to and become the property of Her Majesty, for the purposes of the Government of India, and in case any lands in Great Britain shall then be held by the Company for the purpose of their business or undertaking, the same shall be sold, and the clear moneys to be produced by such sale shall be paid into the Bank of England, to the account of the Secretary of State in Council, and the Company shall at the same time deliver to the Government of India, or their authorised agents,

agents, on behalf of Her Majesty, for the purposes of such Government, the engines, carriages, stock, plant, and machinery belonging to the railway and works, and all plans, surveys, sections, books, printings, drawings, writings, and documents whatsoever in anywise relating thereto respectively, and provided notice as aforesaid shall have been given at any time during the first six calendar months after the 1st day of March 1890, or at any time during the first six calendar months after the 1st day of March 1905, or during the first six calendar months after the expiration of any tenth year computed from the last-mentioned day, up to and inclusive of the 90th year, computed from the same day, then the Secretary of State in Council shall be bound to pay in London, out of the revenues of India on the said half-yearly day next but one following such notice, for the purchase of all the same premises, a sum equal to the amount of the value of all the shares and ordinary stock of the Company issued or created with the sanction of the Secretary of State in Council for the purposes of the railway, calculated according to the mean market value in London of such shares or stock, during the three years immediately preceding the expiration of the year during six months after the expiration of which such notice to purchase as aforesaid shall have been given, and shall also be bound to indemnify the Company against all such debts and liabilities (if any) as they may have incurred to or with the sanction of the Secretary of State in Council, and as shall then be subsisting, but if notice as aforesaid shall have been given during the first six calendar months after the expiration of some tenth year subsequent to and computed from the aforesaid 90th year, in that case, instead of such payment as aforesaid, the Secretary of State in Council shall be bound to pay out of the revenues of India to the Company the sum of 60,000 *l.* sterling, being part of the said sum of 3,136,949 *l.* 12 *s.* which is represented by the said sum of 60,000 *l.* stock issued as mentioned in the said indenture of the 1st day of March 1870, and also so much of the residue of the said sum of 3,136,949 *l.* 12 *s.* as has or shall have been expended with the sanction of the Secretary of State in Council, and also such other capital as shall be raised upon shares or ordinary stock of the Company, and be expended by the Company with the sanction of the Secretary of State in Council, upon the railway works and premises so to be purchased, and whether such capital shall have borne interest or not (the capital so to be paid being ascertained and certified in the manner hereinbefore mentioned), and also such amount of capital as having been raised originally on mortgages or debentures, and being expended in the like manner, shall have been converted into shares or ordinary stock of the Company, and also such parts (if any) of the capital raised for the purposes of the railway by the issue of shares or ordinary stock as shall remain in the Bank of England to the account of the Secretary of State in Council, and also to indemnify the Company against all such debts and liabilities (if any) as they may have incurred to or with the sanction of the Secretary of State in Council, and as shall be then subsisting, and in the event of purchase taking place in either of the two ways above described the covenants hereinbefore contained for payment of interest on moneys raised by the issue of shares or ordinary stock of the Company, or on capital represented by shares or ordinary stock taken in exchange for mortgages or debentures, shall cease.

Possession as a remedy.

32. That if default shall be made by the Company in the raising and payment of the said sum of 42,650 *l.* 8 *s.*, or any of the instalments thereof, or of such further capital as shall be required for the construction of the original and extension lines respectively, or in the due application of any moneys drawn in London or in India as aforesaid, or if the Company shall at any time fail as regards time, cost, or any other circumstance or thing in constructing or carrying on to completion the railway and works, or any of them, to the entire satisfaction of the Secretary of State in Council, and conformably in all respects with the orders and directions to be given for that purpose by the Secretary of State in Council as hereinbefore is mentioned, or in case the Company shall cease to work the railway, or the same shall not be worked to the satisfaction of the Secretary of State in Council, or in case of any other breach on the part of the Company of any of the covenants herein contained, then, and in every such case, it shall be lawful for the Secretary of State in Council, on giving to the Company in London or other the place of their office in India, three

calendar months' notice of his intention in that behalf, to terminate the interest of the Company in the railway, land, telegraphs and works, already taken or constructed, or to be taken or constructed as aforesaid, and, by their agents, to assume, on behalf of Her Majesty, for the purposes of the Government of India possession of the railway, lands, telegraphs, and works, and of all or any of the engines, carriages, stock, plant, and machinery provided for the same or belonging thereto, and all plans, surveys, books, printings, drawings, writings and documents whatsoever in anywise connected with the undertakings and affairs of the Company, or relating thereto, and in that case any lands in Great Britain which may then be held by the Company for the purposes of their business or undertaking shall with all convenient speed be sold, and the clear moneys to be produced by such sale shall be paid into the Bank of England to the account of the Secretary of State in Council, and in case of such notice being given the Secretary of State in Council shall be liable to repay out of the revenues of India, within six calendar months after the expiration of such notice to the Company in London, the sum of 60,000 *l.* sterling, being part of the said sum of 3,136,949 *l.* 12 *s.*, which is represented by the said sum of 60,000 *l.* stock issued as mentioned in the said indenture of the 1st day of March 1870, and also so much of the residue of the said sum of 3,136,949 *l.* 12 *s.* as has or shall have been expended with the sanction of the Secretary of State in Council, and also such other capital as shall be raised upon shares or ordinary stock of the Company, and be expended by the Company, with the sanction of the Secretary of State in Council, upon the railway works and premises, and whether such capital shall have borne interest or not (the capital so to be paid being ascertained and certified in the manner hereinbefore mentioned), and also such amount of capital as having been raised originally on mortgages or debentures, and been expended in the like manner, shall have been converted into shares or ordinary stock of the Company, after a proper deduction for all debts and liabilities then affecting the Company, or the property of the Company, the money so to be repaid to include so much (if any) of the capital raised for the purposes of the railway by the issue of shares or ordinary stock as shall then remain in the Bank of England to the account of the Secretary of State in Council and also to discharge, exonerate, and indemnify the Company from all debts, obligations and liabilities for works and expenditure undertaken with the sanction of the Secretary of State in Council, and thereupon all covenants by the Secretary of State in Council in this indenture contained for payment of interest on moneys raised by the issue of shares or ordinary stock, or on capital represented by shares or ordinary stock taken in exchange for mortgages or debentures, shall cease, and all claims by the Secretary of State in Council on the Company shall also cease, the intention of the parties hereto being that in case of the exercise by the Secretary of State in Council of the powers or authorities by this clause given to him, the said Company shall receive back such capital as aforesaid, with interest, at the rate or rates agreed on, and that the exercise by the Secretary of State in Council of the said powers and authorities shall be the only penalty to which the Company shall be liable in case of any such default by the Company as is hereinbefore mentioned, and on which such powers and authorities are made exercisable.

Repairs by the Government of India.

33. That if default shall be made by the Company in their covenant to keep the railway, or such parts thereof respectively as have or shall have been completed and opened for traffic, in good repair and condition for the space of one calendar month next after notice in writing in that behalf from the Secretary of State in Council to the Company at Madras or other the place of their office in India, or if default shall be made by the Company in performing their covenant to keep the railway fully provided with rolling stock and plant in good repair and adequate to the service thereof, to the satisfaction of the Secretary of State in Council, it shall be lawful for the said Secretary of State in Council, by his agents, to enter on the railway and to do and execute all such works and things as may be required for fulfilling the said covenants, and to charge the expenses of the same against the Company, by setting off the amount of such expenses against any moneys then payable, or which shall thereafter become payable, by the Secretary of State in Council, for interest in manner hereinbefore mentioned, which interest shall in such case to that extent be considered as paid and satisfied by such set-off or retainer, and shall for all the purposes of these presents

sents beregarded and considered as interest actually paid by the Secretary of State in Council to the Company in pursuance of his covenants to pay interest hereinbefore contained, and if such expenses shall not be satisfied by such set-off and retainer as aforesaid, then the Secretary of State in Council may set off and deduct the same against and from all or any part of any other moneys which shall on any account whatsoever be or become payable by the Secretary of State in Council to the Company.

Capital expended may be paid in India Government Stock.

34. That in every or any case in which, under the provisions of these presents, the Secretary of State in Council shall, before the expiration of the said term of 999 years, become bound to repay capital expended by the Company upon the railway as provided by the 30th, 31st, and 32nd clauses respectively hereinbefore contained, or to pay the value of stock for the purchase of the railway as provided by the 31st clause hereinbefore contained, it shall be lawful for the Secretary of State in Council, at his sole option, instead of paying a gross sum in respect of the premises, to transfer to the Company on the day on which such gross sum would have had to have been paid, such an amount of 5 *l.* per cent. Government of India Stock, redeemable at par at the option of such Government, as shall, taking such stock at par, amount to the sum which the Secretary of State in Council would have had to pay if he had chosen to make the payment in cash, and the amount of stock so transferred to the company shall be accepted by them in full payment and satisfaction of all moneys which the Secretary of State in Council shall have become bound to repay or pay as aforesaid. Provided always that the right to exercise such option shall not apply to the undrawn portion (if any) of the capital of the Company raised for the purposes of the railway, which portion is to be repaid to the Company with interest on such part thereof as shall bear interest under the provisions in that behalf hereinbefore contained, in case the Company shall relinquish or be deprived of the railway as aforesaid.

Return of surplus.

35. That if after the railway and works, including the telegraphs if required, shall have been completed and furnished with adequate working stock, the whole of the said balances so standing in the Bank of England to the credit of the Secretary of State in Council as aforesaid, and the said sum of 42,650 *l.* 8 *s.* shall not have been required for the purpose of the said capital account, such parts of the surplus of the same balances and sum respectively as shall have been raised by the issue of shares or ordinary stock shall be refunded to the Company in London, with such interest (if any) as shall be due on such parts respectively at the time, and thereupon the aforesaid covenants for payment of interest shall no longer apply to any capital which shall have been so refunded.

Sanction of the Secretary of State in Council.

36. That any notice, direction, requisition, appointment, certificate of opinion, approval or sanction to be given or signified on the part of the Secretary of State in Council for any of the purposes of these presents, shall be sufficient and binding if signed by the Secretary of State for India or one of his Under Secretaries, or by the Secretary of Government at Madras, or by any other officer or servant duly authorised to act on behalf of the Secretary of State in Council in respect to the matters to which the same shall relate, and the Secretary of State in Council shall not in any case be bound in respect of matters aforesaid, unless by some writing signed in the manner before-mentioned.

Railway office in India and agent.

37. That the Company shall keep an office at all times hereafter during the said term hereby agreed to be granted established at Madras, or any such other place or places as shall be agreed upon between the Secretary of State in Council and the Company, and shall keep at the said office an authorised agent or authorised agents with whom the Secretary of State in Council and the Government at Madras, or other officer or officers deputed in that behalf may communicate on affairs concerning the railway, and all drafts drawn by the said agent or agents, and all receipts of and acts done by such agent or agents on behalf of the Company, or concerning the railway, and works and stock, and the affairs thereof, shall be binding on the Company, and every notice to be given to the Company shall be sufficiently given if left at the said office, or personally served on such agent or agents.

Legislation in India.

38. That the Secretary of State in Council shall promote the passing by the Legislative Council of the Governor General of India in Council of any Act or Acts which shall be necessary or convenient for enabling the Company to fulfil in India the objects of their Undertaking, according to the terms and provisions of these presents, and the said Company shall be subject to any enactment for the regulation of the affairs of railways which may be passed by the said Legislative Council.

Agreement to be of no effect unless Act obtained.

39. That if the said Act to amalgamate the said Companies and confirm these presents shall not be obtained, these presents shall have no effect.

In witness whereof Sir Frederick James Halliday, Knight Commander of the Most Honourable Order of the Bath, and Major General Sir William Erskine Baker, Knight Commander of the Most Honourable Order of the Bath, being two Members of the Council of India, have hereunto set their hands and seals, and the Great Southern of India Railway Company and the Carnatic Railway Company, Limited, have hereunto respectively caused their respective Corporate Seals to be affixed the day and year first above written.

Signed, sealed, and delivered by Sir Frederick James Halliday and Sir William Erskine Baker, being two Members of the Council of India, in the presence of

Robt. Wickenden,
Clerk to H. S. Lawford,
Solicitor, India Office.

FRED. JAS. HALLIDAY. L. S.

W. E. BAKER. L.S.

Seal of the Great Southern of India Railway Company.

The Common Seal of the Carnatic Railway Company, Limited, hereunto affixed in the presence of

M. R. Scott, Secretary.

Seal of the Carnatic Railway Company.

CONTRACT between the SECRETARY of STATE in COUNCIL and the EAST INDIAN RAILWAY COMPANY, dated 2nd March 1877.

MEMORANDUM of AGREEMENT, made the 2nd day of March, in the year of our Lord 1877, between the SECRETARY of STATE for INDIA in Council (hereinafter referred to as "the said Secretary of State") of the one part, and the EAST INDIAN RAILWAY COMPANY (hereinafter referred to as "the said Company") of the other part.

1. THIS agreement shall come into force on the 1st day of April 1877, and shall continue in force until the 31st day of March 1879, and shall extend and apply to the various telegraphic apparatus of the said Company on their main line between Howrah and Delhi, and the branches thereof.

2. The said Secretary of State shall maintain in proper repair and efficient working condition as many wires, insulators, and brackets, the property of the said Company, as the said Company shall require for the working of their main line of railway between Howrah and Delhi and the branches thereof, and the said Company shall pay to the Secretary of State for such maintenance the sum of 10 rupees 8 annas per annum per wire per mile.

3. The said Secretary of State shall maintain in like repair and condition all telegraph posts the property of the Company situated on their same main line between Howrah and Delhi, and the branches thereof, and the said Company shall pay to the said Secretary of State for such maintenance a proportionate part of the actual cost of such maintenance, reference being had to the number of wires hanging on the said post, and in use by the said Company and by the said Secretary of State respectively; provided always, that if at any time during the continuance of this agreement both parties shall agree, a fixed sum may be charged by the said Secretary of State, and paid by the said Company for such maintenance, instead of a proportionate part of the actual cost, as hereinbefore provided.

4. If at any time after the coming into force of this agreement the said Company shall have hanging on their posts more wires than they require for the working of their line of railway, the Secretary of State may hire of the Company such superfluous wires, and shall pay the Company for the use of the same at such rate per annum per wire per mile as may be agreed upon between the Government of India and the agent of the Company, and the cost of maintaining and replacing such wires shall be borne by the Secretary of State, and such wires, for the purpose of fixing the sum to be paid by the Company to the Secretary of State for the maintenance of the posts, within the terms of the last preceding paragraph, shall be deemed to be the wires of the said Secretary of State.

5. If at any time after the coming into force of this agreement the said Company shall require a larger number of wires, with insulators and brackets, for their own purposes, than shall then be in use by them, the said Government may supply the same to the Company at the request and cost of the Company, and such wires, with such insulators and brackets, shall be the property of the Company, and the cost of maintaining and replacing such wires shall be borne by the Secretary of State in the manner provided by paragraph 2 of this agreement, and such wires, for the purpose of fixing the sum to be paid by the Company to the Secretary of State for the maintenance of the posts within the terms of paragraph 3 of this agreement, shall also be deemed to be the wires of the said Company.

6. If the said Secretary of State shall elect to avail himself of the power given by the 4th section of the "license," of the 18th January 1855, to hang wires on the posts of the said Company, he shall pay to the said Company for so doing a sum to be calculated in the following way; that is to say, a sum of 5 *l.* per cent. per annum shall be calculated on the cost price of the said posts, and of that sum of 5 *l.* per cent. per annum the Secretary of State shall pay to the said Company a proportionate part, according to the number of wires in use by him and the said Company respectively, and hung on the said posts.

7. If at any time after the coming into force of this agreement the Company shall desire to hang any wire or wires for the use of the said Company on the posts of the said Government, and the said Secretary of State shall agree to their so doing, the said Company shall pay to the Secretary of State a sum to be calculated in a similar way, *mutatis mutandis*, to that specified in the last preceding paragraph as to the sum to be paid by the Secretary of State in the event therein provided for.

8. The said Secretary of State shall maintain all the telegraphic instruments at the time of the coming into force of this agreement the property of the said Company. And the Company shall pay to the said Secretary of State for such maintenance either a fixed sum to be agreed upon by both parties, or the cost price of such maintenance.

9. The said Secretary of State shall take over and purchase from the said Company all telegraph line stores in store in India at the price at which they stand in the Company's books, and also all telegraph stores at the present time invoiced to the said Company, and on board ship between England and India, and shall pay for the same the cost price thereof when landed, including all freight charges and other expenses thereon, and all Customs duties payable on the same.

10. All sums of money for rent, maintenance, or on other account, in this agreement provided to be paid by the said Secretary of State and the said Company respectively, shall be paid half-yearly.

11. In the event of any serious damage occurring to the various telegraphic apparatus hereinbefore mentioned, or any part of the same, from storm, floods, or other such cause, and of the said Secretary of State being unable to restore communication on the wires in use by the said Company, forthwith the said Company may make any temporary arrangement for restoring such communication at the expense of the said Secretary of State, and the said Secretary of State shall pay for the same upon receipt from the said Company of an account of the expense incurred.

12. The signalling staff of the said Company shall be wholly and exclusively controlled and paid by the said Company.

13. The said Secretary of State shall pay, at tariff rates, all fares and freight charges incurred by him for the conveyance of establishment and stores for construction of new lines.

14. The said Company shall supply the said Secretary of State with all appropriate free passes for the officers in charge, and for the workmen employed on the maintenance of the lines, the subject of this agreement, and shall also carry, free of charge, all stores required for the maintenance of the said lines.

15. The said Secretary of State shall station not less in number than one native lineman at each engine station of the said Company, and the said Company shall provide reasonable accommodation for such linemen on the premises of the said Company, and shall afford them all reasonable facilities for constantly inspecting the line. The said Company shall also afford the said Secretary of State reasonable accommodation for petty stores, and for the tools used by the linemen.

16. The said Company shall afford to the servants of the said Secretary of State every reasonable facility for keeping the wires clear of all trees, branches of trees, or other similar impediment to the proper insulation of the lines.

17. The said Company shall allow the servants of the said Secretary of State to inspect or test any of the said Company's office connecting wires, whenever a doubt may arise as to whether a fault may exist on a connecting wire outside or inside such office. Whenever such fault or faults may be discovered, a report shall be made by the servants of the said Secretary of State to the traffic manager of the said Company. The said Company shall also allow the servants of the said Secretary of State to test the wires in use by the Company when necessary.

18. In the event of the said Company, at the expiration of the time fixed for the duration of this agreement, resuming the maintenance of their various telegraphic

telegraphic apparatus hereinbefore mentioned, the said Secretary of State shall restore the same to the said Company in the like good order and condition as they were at the time of the making of this agreement, and thereupon all the provisions contained in the existing contracts between the Secretary of State in Council and the said Company, with respect to the telegraphs and working and repairs thereof, and otherwise relating thereto, shall thenceforth be restored, and have full force and effect as if the agreement hereinbefore contained had not been executed.

In witness whereof, Colonel Henry Yule, C.B., and Sir William Muir, K.C.S.I., being two Members of the Council of India, have hereunto set their hands and seals, and the said Company have hereunto caused their common seal to be affixed, the day and year first above written.

MEMORANDUM of AGREEMENT, made the 13th day of April, in the year of our Lord 1877, between the SECRETARY of STATE for INDIA in COUNCIL (hereinafter referred to as "the said Secretary of State") of the one part, and the MADRAS RAILWAY COMPANY (hereinafter referred to as "the said Company") of the other part.

1. THIS agreement shall come into force on the 1st day of June 1877, and shall continue in force until the 31st day of May 1879, and shall extend and apply to the various telegraphic apparatus of the said Company on their main lines between Madras and Raichore, between Madras and Beypore, and the branches thereof.

2. The said Secretary of State shall maintain in proper repair and efficient working condition as many posts, wires, insulators, and brackets, the property of the said Company, as the said Company shall require for the working of their main lines of railway and the branches thereof, and the said Company shall pay to the Secretary of State for such maintenance the sum of ten rupees eight annas per annum per wire per mile.

3. If at any time after the coming into force of this agreement the said Company shall have hanging on the telegraph posts more wires than they require for the working of their line of railway, the Secretary of State may hire of the Company such superfluous wires, and shall pay the Company for the use of the same at such rate per annum per wire per mile as may be agreed upon between the Government of India and the agent of the Company, and the cost of maintaining and replacing such wires shall be borne by the Secretary of State.

4. If at any time after the coming into force of this agreement the said Company shall require a larger number of wires, with insulators and brackets, for their own purposes, than shall then be in use by them, the said Government may supply the same to the Company at the request and cost of the Company, and such wires, with such insulators and brackets, shall be the property of the Company, and the cost of maintaining and replacing such wires shall be borne by the Secretary of State in the manner provided by paragraph 2 of this agreement.

5. If the said Secretary of State shall elect to avail himself of the power given by the section of the license of the day of 18 , to hang wires on the posts of the said Company, he shall pay to the said Company for so doing a sum to be calculated in the following way; that is to say, a sum of 5 *l.* per cent. per annum shall be calculated on the cost price of the said posts, and of that sum of 5 *l.* per centum per annum the Secretary of State shall pay to the said Company a proportionate part, according to the number of wires in use by him and the said Company respectively, and hung on the said posts.

6. If at any time after the coming into force of this agreement the Company shall desire to hang any wire or wires for the use of the said Company on the

posts of the said Government, and the said Secretary of State shall agree to their so doing, the said Company shall pay to the Secretary of State a sum to be calculated in a similar way, *mutatis mutandis*, to that specified in the last preceding paragraph as to the sum to be paid by the Secretary of State in the event therein provided for.

7. The said Secretary of State shall, if and when requested by the Company in writing, maintain all the telegraphic instruments at any time during the continuance of this agreement the property of the said Company, and the Company shall pay to the said Secretary of State for such maintenance either a fixed sum to be agreed upon by both parties, or the cost price of such maintenance.

8. The said Secretary of State shall take over and purchase from the said Company all telegraph line stores in store in India, and also all posts not from time to time required by the said Company, at the price at which they respectively stand in the Company's books at the time of such taking over and purchase, and also all telegraph line stores at the present time invoiced to the said Company, and on board ship between England and India, and shall pay for the same the cost price thereof when landed, including all freight, charges, and other expenses thereon, and all Customs duties payable on the same.

9. All sums of money for rent, maintenance, or on other account, in this agreement provided to be paid by the said Secretary of State and the said Company respectively, shall be paid half-yearly.

10. In the event of any serious damage occurring to the various telegraphic apparatus hereinbefore mentioned, or any part of the same, from storm, floods, or other such cause, and of the said Secretary of State being unable to restore communication on the wires in use by the said Company forthwith, the said Company may make any temporary arrangement for restoring such communication at the expense of the said Secretary of State, and the said Secretary of State shall pay for the same upon receipt from the said Company of a certified account of the expense incurred.

11. The signalling staff of the said Company shall be wholly and exclusively controlled and paid by the said Company.

12. The said Secretary of State shall pay at tariff rates all fares and freight charges incurred by him for the conveyance of establishment and stores for construction of new lines.

13. The said Company shall supply the said Secretary of State with all appropriate free passes for the officers in charge and for the workmen employed on the maintenance of the lines the subject of this agreement, and shall also carry free of charge all stores required for the maintenance of the said lines.

14. The said Secretary of State shall station not less in number than one native lineman at each engine station of the said Company, and the said Company shall provide reasonable accommodation for such linemen on the premises of the said Company, and shall afford them all reasonable facilities for constantly inspecting the line. The said Company shall also afford the said Secretary of State reasonable accommodation for petty stores, and for the tools used by the linemen.

15. The said Company shall afford to the servants of the said Secretary of State every reasonable facility for keeping the wires clear of all trees, branches of trees, or other similar impediments to the proper insulation of the lines.

16. The said Company shall allow the servants of the said Secretary of State to inspect or test any of the said Company's office connecting wires whenever a doubt may arise as to whether a fault may exist in or on a connecting wire outside or inside such office. Whenever such fault or faults may be discovered a report shall be made by the servants of the said Secretary of State to the traffic manager of the said Company. The said Company shall also allow the servants of the said Secretary of State to test the wires in use by the Company when necessary.

17. In the event of the said Company, at the expiration of the time fixed for the

the duration of this agreement, resuming the maintenance of their various telegraphic apparatus hereinbefore mentioned, the said Secretary of State shall restore the same to the said Company in the like good order and condition as they were at the time of the making of this agreement, and thereupon all the provisions contained in the existing contracts between the Secretary of State in Council and the said Company with respect to the telegraphs, and the working and repairs thereof, and otherwise relating thereto, shall thenceforth be restored, and have full force and effect, as if the agreement hereinbefore contained had not been executed.

18. If any question, dispute, or difference shall arise between the Secretary of State and the said Company, whereby this agreement, or any clause, matter, or thing, herein contained, or the construction hereof, or as to the meaning of the words "reasonable accommodation" or "reasonable facilities" in the 14th and 15th paragraphs of this agreement, or as to any matter or thing in any way connected with this agreement or the operation thereof, or the rights, duties, and liabilities of either party in connection with the premises, then and in every such case the matter in difference shall be referred to and finally decided by the arbitration of the consulting engineer of the Government of Madras and the agent for the time being of the said Company, and, in case of their not agreeing, by the Government of India.

In witness whereof Sir Frederick James Halliday, K.C.B., and Major General Sir Alfred Wilde, K.C.B., C.S.I., being two Members of the Council of India, have hereunto set their hands and seals, and the said Company have hereunto caused their common seal to be affixed, the day and year first above written.

Signed, sealed, and delivered by the above-named Sir Frederick James Halliday and Sir Alfred Wilde, being two Members of the Council of India, in the presence of

Robt. Wickenden,
Clerk to the Solicitor,
India Office.

FRED. JAS. HALLIDAY. L. S.

A. WILDE. L. S.

The Common Seal of the Madras Railway Company, hereunto affixed in the presence of

J. J. Smith,
W. H. Crake,
Directors.

Seal of the Madras Railway Company.

MEMORANDUM of AGREEMENT, made on the 17th day of July 1877, between the SECRETARY of STATE for INDIA in COUNCIL (hereinafter referred to as "the said Secretary of State") of the one part, and the SOUTH INDIAN RAILWAY COMPANY (hereinafter referred to as "the said Company") of the other part.

WHEREAS the lines of telegraph on the said Company's main lines of railway and the branches thereof belong, as to the sections from Madras to Tindevanum (a distance of 75 miles), from Negapatam on the coast to Trichinopoly and Errode (a distance of 168 miles), and from Arconum to Conjeverâm (a distance of 19 miles), to the Company, and as to the sections from Tindevanum to Tanjore (a distance of 140 miles), and from Trichinopoly to Tuticorin and Tinnevelly (a distance of 216 miles), to Her Majesty:

And whereas the said Company, by arrangement with the said Secretary of State, have set up, used, and now use as their own property, wires on the posts of the said lines of telegraph which belong to Her Majesty, and the said Secretary of State has, by arrangement with the said Company, set up and used, and now uses as the property of Her Majesty, wires on the posts of the said lines of telegraph which belong to the said Company:

And whereas all accounts between the said Secretary of State and the said Company in relation to the use by them respectively of the said lines of telegraph prior to the commencement of this agreement have either been settled or are in course of settlement, and are not to be affected by this agreement:

NOW IT IS AGREED THAT—

1. This agreement shall be considered to have been in force on and from the 1st day of July 1877, and shall continue in force until the 30th day of June 1879, and thenceforth until the expiration of six calendar months after the day on which the said Secretary of State shall give notice in writing to the said Company, or the said Company shall give notice in writing to the said Secretary of State, of his or their wish to put an end to this agreement, which notice may be given by either party on any day, and shall extend and apply to the various telegraphic apparatus of the said Company on their main lines of railway and the branches thereof.

2. The said Secretary of State shall maintain in proper repair and efficient working condition as many posts, wires, insulators, and brackets, the property of the said Company, as the said Company shall require for the working of their main lines of railway and the branches thereof, and the said Company shall pay to the said Secretary of State for such maintenance the sum of 10 rupees 8 annas per annum per wire per mile.

3. If at any time after the coming into force of this agreement the said Company shall have hanging on the telegraph posts (whether the property of the said Company or of Her Majesty) more wires than they require for the working of their line of railway, the Secretary of State may hire of the said Company such superfluous wires, and shall pay the said Company for the use of the same at such rate per annum per wire per mile as may be agreed upon between the Government of India and the agent of the Company, and the cost of maintaining and replacing such wires shall be borne by the Secretary of State.

4. If at any time after the coming into force of this agreement the said Company shall require to have and use on the posts belonging to them a larger number of wires, with insulators and brackets for their own purposes than shall then be in use by them, the said Secretary of State shall supply the same to the said Company at the request and cost of the said Company, and such wires, with insulators and brackets, shall be the property of the Company, and the cost of maintaining and replacing such wires shall be borne by the Secretary of State in the manner provided in paragraph 2 of this agreement.

5. If the said Secretary of State shall elect to avail himself of the power given by the section of the license of the day of 18 , to hang wires on the posts of the said Company, he shall pay to the said Company for so doing a sum to be calculated in the following way; that is to say, a sum

sum of 5 *l.* per cent. per annum shall be calculated on the cost price of the said posts, and of that sum of 5 *l.* per cent. per annum the Secretary of State shall pay to the said Company a proportionate part according to the number of wires in use by him and the said Company respectively and hung on the said posts.

6. If at any time after the coming into force of this agreement the said Company shall desire to hang any wire or wires, for the use of the said Company, on the posts belonging to Her Majesty, the said Secretary of State shall agree to their so doing, and the said Company shall pay to the Secretary of State a sum to be calculated in a similar way, *mutatis mutandis*, to that specified in the last preceding paragraph as to the sum to be paid by the said Secretary of State in the event therein provided for.

7. The said Secretary of State shall, if and when requested by the said Company in writing, maintain all the telegraphic instruments at any time during the continuance of this agreement the property of the said Company, and the said Company shall pay to the said Secretary of State for such maintenance either a fixed sum to be agreed upon by both parties or the cost price of such maintenance.

8. The said Secretary of State shall take over and purchase from the said Company all telegraphic line stores in store in India, and also all posts not from time to time required by the said Company, at the price at which they respectively stand in the said Company's books at the time of such taking over and purchase; also all telegraph line stores at the present time invoiced to the said Company, and on board ship between England and India, and shall pay for the same the cost price thereof when landed, including all freight charges and other expenses thereon, and all Customs duties payable on the same.

9. All sums of money for rent, maintenance, or on other account in this agreement provided to be paid by the said Secretary of State and the said Company respectively shall be paid half-yearly on the 30th day of June and the 31st day of December.

10. In the event of any serious damage occurring to the various telegraphic apparatus hereinbefore mentioned, or any part of the same, from storm, floods, or other such cause, and of the said Secretary of State being unable to restore communication on the wires in use by the said Company, forthwith the said Company may make any temporary arrangement for restoring such communication at the expense of the said Secretary of State, and the said Secretary of State shall pay for the same upon receipt from the said Company of a certified account of the expense incurred.

11. The signalling staff of the said Company shall be wholly and exclusively controlled and paid by the said Company.

12. The said Secretary of State shall pay at tariff rates all fares and freight charges incurred by him for the conveyance of establishment and stores for construction of new lines.

13. The said Company shall supply the said Secretary of State with all appropriate free passes for the officers in charge, and for the workmen employed on the maintenance of the lines, the subject of this agreement, and shall also carry, free of charge, all stores required for the maintenance of the said lines.

14. The said Secretary of State shall station a native lineman at each engine station of the said Company, and the said Company shall provide reasonable accommodation for such linemen on the premises of the said Company, and shall afford them all reasonable facilities for constantly inspecting the said line. The said Company shall also afford the said Secretary of State reasonable accommodation for petty stores and for the tools used by the linemen.

15. The said Company shall afford to the servants of the said Secretary of State every reasonable facility for keeping the wires clear of all trees, branches of trees, or other similar impediments to the proper insulation of the lines.

16. The said Company shall allow the servants of the said Secretary of State to inspect or test any of the said Company's office connecting wires whenever a doubt may arise as to whether a fault may exist in or on a connecting wire

outside or inside such office. Whenever such fault or faults may be discovered, a report shall be made by the servants of the said Secretary of State to the traffic manager of the said Company. The said Company shall also allow the servants of the said Secretary of State to test the wires in use by the Company when necessary.

17. In the event of the said Company, at the termination of this agreement, resuming the maintenance of their various telegraphic apparatus hereinbefore mentioned, the said Secretary of State shall restore the same to the said Company in the like good order and condition as they were at the time of the making of this agreement; and thereupon all the provisions contained in the existing contracts between the Secretary of State in Council and the said Company with respect to the telegraphs, whether belonging to the said Company or to Her Majesty, and the working and repairs thereof, and otherwise relating thereto, shall thenceforth be restored, and have full force and effect as if the agreement hereinbefore contained had not been executed.

18. If any question, dispute, or difference shall arise between the Secretary of State and the said Company whereby this agreement, or any clause, matter, or thing herein contained, or the construction hereof, or as to the meaning of the words "reasonable accommodation" or "reasonable facilities" in the 14th and 15th paragraphs of this agreement, or as to any matter or thing in any way connected with this agreement or the operation thereof, or the rights, duties, and liabilities of either party in connection with the premises, then and in every such case the matter in difference shall be referred to and finally decided by the arbitration of the consulting engineer of the Government of Madras, and the agent for the time being of the said Company, and, in case of their not agreeing, by the Government of India.

In witness whereof, Sir Frederick James Halliday, Knight Commander of the Most Honourable Order of the Bath, and Andrew Cassels, Esquire, being two Members of the Council of India, have hereunto set their hands and seals, and the said Company have hereunto caused their common seal to be affixed, the day and year first above written.

Signed, sealed, and delivered by the above-named Sir Frederick James Halliday and Andrew Cassels, being two Members of the Council of India, in the presence of

Robt. Wickenden,
Clerk in the Legal Department, India Office.

FRED. JAS. HALLIDAY. L. S.

ANDREW CASSELS. L. S.

The Common Seal of the South Indian Railway Company was hereunto affixed, in the presence of

Henry W. Notman,
Managing Director.

Seal of the South Indian Railway Company.

CONTRACT between the SECRETARY of STATE for INDIA in COUNCIL and the EAST INDIAN RAILWAY COMPANY, dated 22nd December 1879, as to the Maintenance, Management, and Working of the Undertaking by the Company.

THIS INDENTURE, made the 22nd day of December 1879, between the SECRETARY of STATE in COUNCIL of INDIA of the one part and the EAST INDIAN RAILWAY COMPANY, incorporated by an Act of Parliament passed in the Session of the 12th and 13th years of the Reign of Her present Majesty, intituled "An Act for Incorporating the East Indian Railway "Company, and for other purposes connected therewith," of the other part.

WHEREAS by the East Indian Railway Company Purchase Act, 1879, hereinafter called the "Act of 1879," the parties hereto are authorised and empowered to enter into contracts for the purposes hereinafter expressed.

NOW THIS INDENTURE WITNESSETH, and it is hereby agreed and declared as follows:—

Interpretation of Terms.

1. In this Contract

The expression "The Secretary of State," means the Secretary of State in Council of India.

The expression "The Company," means the East Indian Railway Company.

The expression "The East Indian Railway," means the railways and works of whatever description forming the Undertaking of the Company on the 31st of December 1879.

The expression "The Undertaking," means the East Indian Railway, or such part thereof as shall, on the 1st of January 1880, be handed over to the Company for the purposes of this contract, together with any improvements, alterations, and additions of whatever description that may from time to time be made therein or thereto, by or with the sanction of the Secretary of State.

Duration of Contract.

2. This contract shall continue in force for the period of 50 years from the 1st of January 1880, subject to the provisions hereinafter contained for determining the same.

As to deferring one-fifth of the Annuity.

3. During the continuance of this contract the payment of one-fifth of the annuity of 1,473,750 *l.* mentioned in the Act of 1879 shall be deferred, and in lieu thereof interest at the rate of 4 *l.* per cent. per annum on the sum of 6,550,000 *l.*, being the capital sum represented by such one-fifth, shall be paid by the Secretary of State to the Company in London, by half-yearly payments, on the 1st of January and the 1st of July in every year, the first of such payments to be made on the 1st of July 1880, in respect of the half-year immediately preceding that date.

As to the Undertaking to be transferred to the Company, and matters connected therewith.

4. On the 1st of January 1880, the Secretary of State shall hand over to the Company, for the purposes of this contract, the East Indian Railway, together

with the rolling stock, plant, and machinery belonging thereto, subject to the following exceptions:—

(1.) The land occupied by the Company in the Sulkeah Yard at Howrah, now or lately used for the storage of State railway material, which land shall nevertheless be handed over to the Company if and so soon as the Secretary of State shall obtain the use of other sufficient land for the storage of such material.

(2.) The telegraphs and all telegraphic appliances belonging to the East Indian Railway which shall remain vested in the Secretary of State, subject as hereinafter provided.

5. On the 1st of January 1880, or so soon thereafter as may be, the Secretary of State shall deliver to the Company, and the Company shall accept for the purposes of the Undertaking, all stores belonging to the East Indian Railway that may be in hand or in course of delivery on the 1st of January 1880, except such as on the representation of the Company, to be made in writing on or before the 31st day of December 1879, the Secretary of State may adjudge to be unserviceable or surplus stores.

6. During the continuance of this contract the Secretary of State shall provide and allow the Company to use such telegraphs and telegraphic appliances as the Company shall, with the sanction of the Secretary of State, from time to time require for the purposes of the Undertaking, and shall maintain the said telegraphs and telegraphic appliances in good repair and good working condition. The working of the said telegraphs shall be exclusively in the hands of the Company, but the Company, if so directed by the Secretary of State, shall observe the rules for the time being in force in the case of State Railway Telegraphs, or such of the said rules as the Secretary of State may from time to time prescribe for their observance, and the Company shall furnish the Secretary of State with such free passes as he may require for persons employed by him in or about the erection, maintenance, or inspection of the said telegraphs and telegraphic appliances, or otherwise in connection therewith.

7. A separate agreement shall be made between the Secretary of State and the Company as to the working of the Serampore and Kurhurballee coal fields, which are intended to be part of the Undertaking. Provided, nevertheless, that the rent payable to Government in respect of the said coal fields shall not exceed the aggregate of the fixed rents now payable in respect of the same.

8. If the branch railway from the Mogul Serai Station, on the main line of the East Indian Railway to the River Ganges, opposite Benares, shall be part of the Undertaking handed over to the Company on the 1st of January 1880, the Secretary of State may at any time require the Company to re-transfer such branch railway to him, and the Company shall not claim any compensation in respect of such re-transfer.

9. As soon as may be after the 1st of January 1880, an inventory of the Undertaking, and an inventory and valuation of the rolling stock, plant, and machinery belonging thereto, as on the 1st of January 1880, shall be made and signed by or on behalf of the Secretary of State and the Company, the valuation being based on the sums outstanding on that day in the capital account of the Company.

As to the Maintenance and Management of the Undertaking.

10. The Company shall keep the Undertaking in good repair, in good working condition, and fully supplied with rolling stock, plant, and machinery, to the satisfaction of the Secretary of State. If the Company shall fail for the space of one calendar month to comply with any requirement in writing of the Secretary of State in regard to the matters aforesaid, or any of them, the Secretary of State may enter on the Undertaking, and execute all such works and provide all such rolling stock, plant, and machinery as may, in his opinion, be required for the purposes of the Undertaking.

11. The Company shall keep the rolling stock, plant, and machinery belonging to

to the Undertaking in good repair and in good working condition to the satisfaction of the Secretary of State.

12. The Company shall maintain a sufficient staff for the purposes of the Undertaking to the satisfaction of the Secretary of State.

13. The Secretary of State may from time to time by notice in writing require the Company to carry out any alteration or improvement in the Undertaking, or any addition thereto that may in his opinion be necessary for the safety of passengers, or for the safety of the public, or for the effectual working of the Undertaking. Such notice shall specify the alteration, improvement, or addition required, and shall also in general terms describe the works to be executed for the purpose of carrying out such alteration, improvement, or addition. On receiving any such notice the Company shall, with all reasonable speed, commence and proceed to execute the works described therein, the Secretary of State supplying the necessary funds and providing any land that may be required for the purpose. If in any case the Company shall neglect to proceed with the proposed works, or fail to complete the same to the satisfaction of the Secretary of State, the Secretary of State may enter on the Undertaking and execute the said works.

14 The Secretary of State shall provide and maintain for the purposes of the Undertaking such a force of police as the Company, with the approval of the Secretary of State, shall from time to time require, with this qualification, that in case of difference between the Secretary of State and the Company as to the force required for the preservation of law and order, the determination of the question shall rest with the Secretary of State. The cost of providing and maintaining the force of police required for the purposes of the Undertaking shall be defrayed in the following manner: that is to say, three-tenths shall be borne by the Secretary of State, and the remaining seven-tenths shall be treated as part of the working expenses of the Undertaking.

As to the use and working of the Undertaking, and the conveyance of Traffic.

15. The Company shall cause to be run so many trains at such times, at such rates of speed, between such places, and with such conveniences and accommodations as the Secretary of State shall from time to time require.

16. The Company shall charge such rates and fares for the carriage of goods and passengers as may from time to time be fixed by the Company, with the approval of the Secretary of State. Provided that the Secretary of State may require the charges for the conveyance of any mineral or mineral substance or any article of agricultural produce over distances not less than 300 miles to be reduced to any rate not below one-sixth of a pie per maund per mile for full waggon loads, and may also require the fare of passengers conveyed in closed carriages with seats to be reduced to any rate not below two pies per mile.

17. The Secretary of State may from time to time require the Company to carry out any alteration or improvement in the working of the Undertaking that may in his opinion be necessary for the safety of passengers, or for the safety of the public, or for the effectual working of the Undertaking.

18. All services which the Secretary of State may require the Company to perform for the Post Office, the Military Department, the Police Department, or any other Department of the State, or for high Government officials (including in such services the conveyance of mails as defined by the Post Office Act or Acts for the time being in force in India, the conveyance of Post Office servants when on duty, the conveyance of troops and sailors, military and naval establishments, horses, and other animals used for military purposes, guns, military stores and equipments, the conveyance of police, prisoners and paupers, the conveyance of telegraph stores, instruments, officers and workmen, and of any public stores whatever), shall be performed by the Company on the same general conditions as may for the time being be in force on State Railways, and at such rates as may be approved by the Secretary of State, not being less than the highest rates in force for the time being for similar services on State Railways of the same gauge.

19. The Company shall convey gold and silver bullion and coin and copper coin belonging to the Government of India and the persons in charge thereof at special rates, to be from time to time approved by the Secretary of State.

20. The Company shall, from time to time, upon the requisition of the Secretary of State, give precedence to the demands of the Government, whether for freight or passenger accommodation, over all ordinary traffic.

21. All stores intended to be used for the purposes of the Undertaking shall be conveyed by the Company at rates to be approved by the Secretary of State, not being less than the actual cost of conveyance.

As to Receipts, Payments, and Expenditure.

22. All monies which shall be received by or on account of the Company in India, in respect of the Undertaking, or from the use and working of the telegraphs and telegraphic appliances provided for the Company under this contract, shall at such times and in such manner as the Secretary of State may from time to time direct, be paid without deduction into the Treasury of the Government of India at Calcutta, to a separate account.

23. All monies required by the Company for the purposes of the Undertaking shall be supplied to the Company by the Secretary of State according to such arrangements as shall from time to time be made between the Secretary of State and the Company.

24. All monies expended by the Company on account of the Undertaking, and all other expenses of the Company in connection therewith, shall from time to time be stated and submitted to the Secretary of State for his sanction, and as between the Company and the Secretary of State shall be allowed only so far as the same shall from time to time have been sanctioned by the Secretary of State.

As to Accounts.

25. The Company shall keep all such accounts relating to the Undertaking, and all such accounts as between the Company and the Secretary of State, as the Secretary of State shall from time to time require. Such accounts shall be kept in such form and under such heads or divisions and with such details, as the Secretary of State shall from time to time prescribe. The said accounts, so far as the same are kept in India, shall be kept in rupees of the Government of India, and so far as they are kept in England shall be kept in sterling money. Such of the said accounts as are kept in England shall from time to time be transmitted by the Secretary of State to the Government of India at Calcutta, and there incorporated in the Accounts of the Company in India, each account for the purpose of such incorporation being converted into rupees at the rate fixed for the adjustment of financial transactions between the Government of the United Kingdom and the Government of India, and in use on the day to which such account shall have been made up.

26. Unless and until otherwise directed, the Company shall keep the following accounts:—

A Revenue Account.

A Capital Advance Account.

A Capital Account.

A Stores Account.

27. The Revenue Account shall contain an account of all receipts and payments on account of revenue, and shall be made up half-yearly to the 30th of June and the 31st of December in each year, or to such other days as the Secretary of State shall from time to time prescribe. The Revenue Account shall be regularly submitted by the Company to the Secretary of State, who may audit the same concurrently with or after expenditure, or in both ways, as he may think fit, and may in case of any error being discovered therein, correct the same within three calendar months after the account containing such error shall

shall have been submitted to him. Every Revenue Account shall be considered as settled at the expiration of three calendar months after the same shall have been submitted to the Secretary of State, but nevertheless, any error which may subsequently be discovered therein, shall be corrected in the next Revenue Account, or in any subsequent Revenue Account or Accounts as the Secretary of State may determine.

28. All monies advanced by the Secretary of State for the purpose of carrying out works chargeable to capital, or for the purchase of stores, or for the payment off of debentures or debenture stock of the Company, shall be entered in the Capital Advance Account, and interest at the rate of 4½ per cent. per annum, or such other rate as shall from time to time be agreed upon by the Secretary of State and the Company, shall from time to time be payable to the Secretary of State on the balance of such account not passed to the Capital Account or to the Stores Account.

29. All monies which the Secretary of State shall pay to the Company in respect of the interest of the Company in the value of the buildings, workshops, fixtures, machinery and plant, on the said Kurhurballee and Serampore coal fields, and all monies which shall be actually expended by the Company, or by the Secretary of State upon works, rolling stock, plant or machinery, the cost of which is chargeable to capital, and the value of all land provided by the Secretary of State after the 1st of January 1880, for the purposes of the Undertaking shall be entered in the Capital Account which shall be made up and stated afresh as often as occasion shall require. Interest at the rate of 4½ per cent. per annum, or such other rate as shall from time to time be agreed upon by the Secretary of State and the Company, shall from time to time be payable to the Secretary of State on the balance from time to time standing at the debit of the Capital Account.

30. The Company shall on or before the 30th of June 1880, make up and deliver to the Secretary of State an account of all stores delivered to the Company as on the 1st of January 1880, and of the value of such stores, the value being taken as entered in the books of the Company on the 31st of December 1879, except in those cases, if any, in which a different value shall be agreed upon by the Secretary of State and the Company. As soon as possible after the 30th of June and the 31st of December in each year, or such other half-yearly days as the Secretary of State may from time to time prescribe for the making up of the Revenue Account, the Company shall make up and deliver to the Secretary of State an account of all stores in hand on the half-yearly day immediately preceding the making up of the Account, and of all stores used by the Company for the purposes of the Undertaking since the 1st of January 1880, or since the date to which the Stores Account was last made up, as the case may be, showing the purposes for which such stores have been used. As often as any of the stores in hand shall be used by the Company for the purposes of the Undertaking, the value of the stores so used as entered in the books of the Company shall be charged to the Revenue Account or to the Capital Account, as the case may require, in accordance with the provisions in that behalf herein contained. Interest at the rate of 4½ per cent. per annum, or such other rate as shall from time to time be agreed upon by the Secretary of State and the Company, shall from time to time be payable to the Secretary of State on the value of stores in hand.

31. The stores in hand shall from time to time be re-valued at such time or times as the Secretary of State shall direct, and in such manner as shall from time to time be agreed upon by the Secretary of State and the Company, and the value of the stores in hand as entered in the books of the Company shall be corrected in accordance with such re-valuation. Any deterioration or loss that may be ascertained or discovered upon any re-valuation shall be charged to Revenue Account.

32. The question whether any expenditure incurred for the purposes of the Undertaking is to be treated in the whole or in part as a charge incurred on Capital Account, or how the same is to be dealt with, shall be determined on the general principle that capital is to bear the cost of new works, of additional rolling stock, plant and machinery, and of substantial improvements of and

additions to old works, rolling stock, plant and machinery, including the cost of any temporary new work, the construction of which is requisite for the construction of a work properly chargeable to capital, and that the cost of repairs, restorations, renewals, replacements, or substitutions is to be borne by revenue. Provided nevertheless that any item of expenditure properly chargeable to capital in accordance with this principle, but not exceeding 2,000 rupees, may at the discretion of the Secretary of State be charged to revenue, but so that the aggregate expenditure charged to revenue on account of such items shall not exceed 25,000 rupees in any half-year, and provided also that, except with the sanction of the Secretary of State, no portion of the salaries or allowances of any of the Company's permanent supervising staff shall be chargeable to capital, although for the time being employed partly or wholly in directing or superintending work so chargeable, and that no expenses connected with the engagement or passage from or to England of any person in the Company's service shall be chargeable to capital, unless such person shall have been specially engaged to carry out work chargeable to capital, and actually employed upon such work.

33. If any difference shall arise between the Secretary of State and the Company as to the incidence of expenditure between capital and revenue in any particular case, the matter in difference shall be referred to the decision of the joint auditor, if the Secretary of State and the Company shall have appointed such an officer; but in case a joint auditor shall not have been appointed, then the matter in difference shall be referred for final decision to the Company's auditor, or some other person to be named by the Company, and a Government Examiner of Railway Accounts, or some other person to be named by the Secretary of State, or in case of their being unable to agree, to a referee to be named by them. The costs of any such reference shall, unless the Secretary of State shall otherwise direct, be treated as part of the working expenses of the Undertaking.

As to the Working Expenses, and the Application of the Receipts of the Undertaking.

34. The working expenses of the Undertaking shall be paid out of the gross receipts of the Undertaking (including in such receipts all monies received by the Company from the use and working of the telegraphs and telegraphic appliances provided for the Company under this Contract), and shall so far as possible be borne by the gross receipts of the half-year to which such working expenses are properly attributable.

35. Working expenses shall include all costs and expenses incurred by the Company, with the sanction of the Secretary of State, in or about the maintenance, management, and working of the Undertaking, and all other sums, if any, proper to be allowed out of revenue in connection with the maintenance, management, or working of the Undertaking, or in connection with the conduct of the affairs of the Company, and which shall be sanctioned by the Secretary of State.

In the working expenses of the Undertaking there shall be reckoned:—

(1.) Such sum or sums of money as shall from time to time be agreed upon between the Secretary of State and the Company, as proper to be allowed in respect of the rent of the Company's office in London, office expenses, directors' fees, and salaries of clerks and servants.

(2.) So much of the cost of providing and maintaining a police force for the purposes of the Undertaking as is not hereby agreed to be borne by the Secretary of State.

(3.) All expenditure incurred by the Company with the sanction of the Secretary of State, or by the Secretary of State in keeping the Undertaking in good repair and in good working condition, and fully supplied with rolling stock, plant and machinery, except such part, if any, of such expenditure as may be charged to capital.

(4.) All expenditure incurred by the Company with the sanction of the Secretary of State in keeping the rolling stock, plant and machinery, belonging

belonging to the Undertaking in good repair and in good working condition.

(5.) All expenditure incurred by the Company with the sanction of the Secretary of State, or by the Secretary of State in the execution of any works chargeable to revenue.

(6.) Such a sum not exceeding 50,000 rupees in any half-year, as may be required by the Secretary of State to cover the costs and charges of and incidental to the supervision and control of the Company by the Secretary of State.

(7.) The charges of the Government Telegraph Department for rent, maintenance, and inspection of the telegraphs and telegraphic appliances provided for the use of the Company.

(8.) All such other expenses as the Secretary of State and the Company agree to treat as part of the working expenses of the Undertaking.

36. The receipts of the Undertaking in each half-year, after deducting working expences and all other charges to Revenue Account properly attributable to that half-year, shall be applied in the following manner and in the following order:—

(1.) In payment of interest upon the Debenture Stock of the Company in existenee on the 1st of January 1880, and upon the Debentures of the Company outstanding on that day.

(2.) In payment to the Secretary of State of so much of the annuity of 1,473,750*l.* as is not deferred under this Contract.

(3.) In payment to the Secretary of State of interest at the rate of 4 per cent. per annum on the capital sum represented by the portion of the annuity deferred under this Contract.

(4) In payment of interest payable to the Secretary of State on money standing to the debit of the Capital Advance Account and the Capital Account.

(5.) In payment of interest payable to the Secretary of State on the value of stores in hand.

(6.) In payment of such sum as shall from time to time be payable to the Provident Institution in connection with the Undertaking.

(7.) And the surplus, if any, shall be applied in manner following, that is to say, four-fifths thereof shall belong to the Secretary of State on behalf of the Government of India, and one-fifth thereof shall belong to the Company, and shall, as soon as ascertained, be forthwith paid over to the Company at Calcutta for distribution among the persons entitled thereto under the Act of 1879.

If in any half-year the net receipts of the Undertaking shall not be sufficient to answer the purposes coming before the division of the surplus, the deficiency, with interest at the rate of 4½ per cent. per annum, shall be a charge upon the surplus net receipts of subsequent half-years, and may be retained by the Secretary of State out of the surplus net receipts of any subsequent half-year before division of profits between the Secretary of State and the Company.

As to running powers and other facilities and accommodation for other Railway Companies and State Railways, and the Secretary of State.

37. The Secretary of State may from time to time require the Company to allow the use of the railways forming part of the Undertaking for the passage of engines and trains belonging to other railway companies, or to State railways upon the payment of reasonable tolls, and under reasonable conditions and restrictions.

38. The Secretary of State may from time to time require the Company to supply other railway companies or State railways with any of the rolling stock of the Undertaking which shall not for the time being be required for the purposes thereof, upon reasonable terms and conditions.

39. The Secretary of State may from time to time require the Company to execute work in their workshops, in respect of rolling stock and machinery belonging to State railways, at such reasonable prices and upon such terms as shall be agreed upon between the Secretary of State and the Company, but so, nevertheless, as not to impede or unduly interfere with the ordinary operations of the Company as carried on therein.

40. The Secretary of State may from time to time require the Company to land at Howrah or Calcutta Railway, stores belonging to the Secretary of State. The Company shall be paid for such services at such reasonable rates as shall from time to time be approved by the Secretary of State.

41. The Secretary of State may from time to time require the Company to make reasonable arrangements for the interchange of traffic and rolling stock with railways belonging to other Companies or to the State.

42. The Secretary of State may from time to time require the Company to allow the use of any of the stations forming part of the Undertaking, for the accommodation of the traffic of any other Railway Company or State Railway, upon the payment of reasonable tolls, and under reasonable conditions and restrictions, and may also require the Company to make such alterations and additions as may, in the opinion of the Secretary of State, be necessary or convenient for the purposes of such accommodation, upon such terms as may be agreed upon between the Secretary of State and the Company.

43. The Secretary of State may at any time require the Company to make such alterations and additions in or to the sections of the railways comprised in the Undertaking situate respectively between the following points, that is to say, between Delhi and Ghazeeabad and between Agra and Toondla, as will admit of metre gauge stock of the Rajpootana State Railway running upon such sections respectively upon such terms as may be agreed upon between the Secretary of State and the Company.

44. If the chairman or deputy chairman of the board of directors of the Company shall certify to the Secretary of State by writing under his hand that he considers any requirement by the Secretary of State, purporting to be made under this part of the Contract, not to be reasonable upon any ground to be stated by him in writing, and if there shall then be a difference of opinion between the Secretary of State and the Company as to the reasonableness of the requirement in question, or as to the propriety of any modification or alteration therein, the matter in difference shall be referred for decision to an officer of the Government to be named by the Secretary of State, and to an officer of the Company to be named by them, or if such officers are unable to agree, then to some person to be appointed by them.

If the matter in difference shall be determined adversely to the Secretary of State, or if any modification or alteration in the requirement of the Secretary of State shall be recommended, or in any event, if the Secretary of State shall so direct, the costs of the reference shall be treated as part of the working expenses of the Undertaking.

As to the Construction and Working of Auxiliary or Branch Railways.

45. The Secretary of State may require the Company to construct any auxiliary or branch railway of the same gauge in connection with any railway forming part of the Undertaking, and to work any auxiliary or branch railway of the same gauge in connection with any railway forming part of the Undertaking, whether constructed by the Company or not, either as agents of the Secretary of State, or as part of the Undertaking, as the Secretary of State may determine, upon such terms and conditions as may in each case be agreed upon between the Secretary of State and the Company.

The Company to comply with the Requirements of the Secretary of State.

46. The Company shall, with all reasonable speed, comply with all such requirements as the Secretary of State shall from time to time make in accordance with this contract.

As to the Supervision and Control of the Secretary of State and the appointment of a Government Director.

47. In all matters relating to the Undertaking and not herein specially provided for the Company shall be subject to the supervision and control of the Secretary of State.

48. For the purpose of inspecting the Undertaking and auditing the accounts of the Company, or otherwise exercising such supervision and control as are intended to be reserved to the Secretary of State by this contract, the Secretary of State may from time to time appoint such person or persons as he may think proper with such powers as he may consider necessary or expedient, and the Company shall afford every person so appointed all reasonable facilities for the purpose of enabling him to perform the duties entrusted to him by the Secretary of State.

49. The Company shall record and keep in proper books full and particular accounts of all their transactions and proceedings, including full and true minutes of all their meetings, meetings of directors, communications with India, and correspondence, so as at all times to exhibit fully and truly the state of their affairs; and the Secretary of State, or any person or persons appointed by him in that behalf, shall at all reasonable times have free access to all the books, accounts, papers, and documents of the Company relating to the Undertaking, with power to call for or make copies of or extracts from the same.

50. The Secretary of State may from time to time appoint any one person to be a director of the Company. The Government Director shall be *ex officio* a member of all committees appointed by the Board of Directors of the Company, or by the Company in relation to the Undertaking, or any matter connected therewith, and he may, moreover, exercise at his discretion an absolute right of veto in all proceedings whatever at the board of directors. The Government Director shall not be removable, except by the Secretary of State. The Secretary of State may from time to time, as often as occasion shall require, appoint a person to represent the Government Director at any meeting of the board, or at any committee meeting at which the Government Director may not be present; and the person so appointed shall have all such rights, and may exercise all such powers as the Government Director, if present, would have had, or might have exercised.

Miscellaneous Provisions.

51. The Company shall not during the continuance of this contract, without the sanction of the Secretary of State in writing first obtained, engage in, or carry on any business other than the business which is the subject of this contract.

52. The Company shall not during the continuance of this contract, without the sanction of the Secretary of State in writing first obtained, acquire any property in India. If the Company shall in contravention of this clause acquire any property, such property shall not be disposed of by the Company without the sanction in writing of the Secretary of State, and the Secretary of State may at any time during the continuance of this contract, or within one calendar month after the determination thereof, purchase such property from the Company at the price actually paid by the Company for the same; and if the purchase money for such property shall be paid to the Company during the continuance of this contract, the expenditure shall be carried to capital account.

53. If, in the opinion of the Secretary of State, any land in the possession of the Company is not required for the purposes of the Undertaking, the Secretary of State shall certify such his opinion to the Company. Upon receipt of such certificate, or so soon thereafter as may be, the Company shall state in writing whether they acquiesce in the opinion of the Secretary of State, or whether they object thereto, and if so, the grounds of their objection. If no objection is stated by the Company, or if the grounds of their objection, if any, are not in the opinion of the Secretary of State sufficient, the land in question shall,

upon the requisition of the Secretary of State, be restored to him, and thereupon the value of such land, if entered in the capital account, shall be written off such account.

54. The Company shall from time to time make such returns and furnish such statistics in such form and under such heads and divisions, and with such details as the Secretary of State may from time to time require. The costs of preparing such returns and statistics and incidental thereto shall be treated as part of the working expenses of the Undertaking.

55. The Secretary of State shall promote the passing, by the legislature in India, of any Act or Acts which may be required to enable the Company to carry into effect this contract.

56. No claim shall be made upon the Secretary of State by the Company for compensation in respect of any Act of the Indian legislature of general applicability which may prejudicially affect the Undertaking or the profits thereof.

57. The Company may, if they think it expedient, and shall, if required by the Secretary of State, maintain and manage a provident institution and a savings bank for the benefit of the servants of the Company upon such terms, and under such rules and regulations as shall from time to time be approved by the Secretary of State.

58. Any notice, direction, requisition, appointment, certificate of opinion, approval, or sanction to be given or signified on the part of the Secretary of State for any of the purposes of this contract, shall be sufficient and binding, if in writing, signed by the Secretary of State or one of his under secretaries, or by a secretary of Government at Calcutta, or by any other officer or servant duly authorised to act on behalf of the Secretary of State in respect of the matters to which the same shall relate; and the Secretary of State shall not in any case be bound in respect of the matters aforesaid, unless by some writing signed in the manner before mentioned.

59. The Company shall at all times during the continuance of this contract keep an office established at Calcutta, and shall keep at the said office an authorised agent or committee of agency, with whom the Secretary of State and the Government of India, or other officer or officers deputed in that behalf, may communicate on affairs concerning the Undertaking, and all drafts drawn and receipts given by the said agent or committee of agency, or under his or their authority, on behalf of the Company concerning the Undertaking and the affairs thereof, shall be binding on the Company, and every notice to be given to the Company (save any notice with respect to the determination of this contract as hereinafter provided) shall be sufficiently given if left at the said office, or personally served on the said agent, or any member of the said committee of agency.

As to the Determination of the Contract.

60. The Secretary of State or the Company may determine this contract at the end of the 20th, or at the end of any succeeding 5th year (computed from the 1st of January 1880) of the said term of fifty years, on giving two clear years' notice in writing to the other party hereto of his or their intention so to do, and thereupon, on the 31st day of December on which the aforesaid notice shall expire, the Company shall give the Secretary of State possession of the Undertaking, together with the rolling stock plant and machinery belonging thereto, and all stores in hand, or in course of delivery on that day, and all plans, books, surveys, sections, printings, writings, and documents whatsoever in anywise connected with the Undertaking, and all other property, if any, belonging or appertaining thereto. And the Secretary of State shall be bound to indemnify the Company, their property and effects against all such debts and liabilities, if any, as they may have incurred with the sanction of the Secretary of State, and which shall be then subsisting, and thereupon this contract shall determine without prejudice to the rights of either party against the other in respect of any covenant herein contained, which may have been previously broken.

Arbitration.

Arbitration.

61. If the Secretary of State and the Company shall fail to agree touching any matter with respect to which their agreement is required by this Contract, or if in any case not herein specially provided for any dispute, question, or controversy shall at any time arise between the Secretary of State and the Company touching these presents, or any clause or thing herein contained, or the construction hereof, or any matter connected with these presents, or the operation hereof, or the rights, duties, or liabilities of either party in relation to the premises, then and in every such case the matter as to which the Secretary of State and the Company shall fail to agree, or the matter in difference, as the case may be, shall be referred to two arbitrators or their umpire, pursuant to and so as with regard to the mode and consequences of the reference, and in all other respects to conform to the provisions in that behalf contained in the Common Law Procedure Act, 1854, or any subsisting statutory modification thereof, and upon every such reference the arbitrators and umpire shall respectively have power to examine witnesses upon oath or affirmation, and either to fix, settle, and determine the amount of costs of the reference and award respectively or incidental thereto to be paid by both parties or by either party, or to direct the same to be taxed either as between solicitor and client or otherwise, and to direct or award where and by and to whom such costs shall be paid, and every or any such reference may be made a rule of Her Majesty's High Court of Justice, or of the High Court of Judicature at Fort William in Bengal, on the application of the Secretary of State or of the Company, and either the Secretary of State or the Company may instruct counsel to consent thereto for the other party.

In witness whereof Sir Barrow Helbert Ellis, Knight Commander of the Most Exalted Order of the Star of India, and Sir Frederick James Halliday, Knight Commander of the Most Honorable Order of the Bath, being two Members of the Council of India, have hereunto set their hands and seals, and the said Railway Company have hereunto caused their common seal to be affixed, the day and year first above written.

Signed, sealed, and delivered by the above-named Sir Barrow Helbert Ellis and Sir Frederick James Halliday, being two Members of the Council of India, in the presence of

Robt Wickenden,
Clerk to the Legal Adviser,
India Office.

B. H. ELLIS. L. S.

FRED. JAS. HALLIDAY. L.S.

The Common Seal of the East Indian Railway Company was hereunto affixed, in the presence of

R. Macdonald Stephenson,
T. Douglas Forsyth.

Seal of the East Indian Railway Company.

CONTRACT between the SECRETARY of STATE for INDIA in COUNCIL and Messrs. SHAW, FINLAYSON & COMPANY, on behalf of the ASSAM RAILWAY COMPANY, dated 26th May 1880.

THIS INDENTURE, made the 26th day of May 1880, between the SECRETARY of STATE for INDIA in COUNCIL for himself and his successors in office and assigns, hereinafter called "the said Secretary of State" (in which term shall moreover be included all servants and officers of Government to whom any powers shall expressly, or by virtue of their appointment, be given to act in any matter or thing relating to this Agreement) of the one part, and DAVID THOMAS SHAW, FRANCIS FINLAYSON, EVAN ALEXANDER JACK, JOHN HORNE, and PATRICK PLAYFAIR, who carry on business in co-partnership at Calcutta as merchants and agents, under the style or firm of Shaw, Finlayson and Company), hereinafter called the said firm, acting in the premises for and on behalf of a company already incorporated or intended to be shortly incorporated, to be called "The Assam Railway Company, Limited," of the other part, whereby it is agreed as follows:

1. The said company (in which term shall be included when the context shall admit of such interpretation, all servants and officers of the company), shall construct and equip, to the satisfaction of the said Secretary of State, and in conformity with the specification hereto annexed, and such schedules, drawings, plans, and estimates as have been, or may from time to time be submitted to and approved of by the said Secretary of State; (a), within 24 months from the 1st day of December 1880, a railway extending from the terminus of the steamer lines on the bank of the Brahmaputra River near Debrugarh, along the Government road towards Sadiya, to the 51st mile; and (b), within 30 months from the said 1st day of December 1880, a branch line of 24 miles from Doom Dooma to opposite the Petroleum Godown, on the Dehing River, about three miles from Makum; and (c) at such time or times as may be agreed upon, such other branch line or lines as may be sanctioned from time to time by the said Secretary of State (and especially a branch line from Debrugarh to Nagagoolie, and another branch line from Panitolluh to Hopewell, on the Rungagoora road), and the word "railway" used in this Agreement shall include all branches as well as the main line.

2. The said company shall at all times keep up and provide all rolling stock necessary for the purposes of the said railway, and shall maintain the said railway, and also the portion of the roads on which the rails are laid, and all rolling stock and other equipment thereof respectively, in good order, to the satisfaction of the said Secretary of State, and shall carry on the work of common carriers thereupon, at rates and fares to be from time to time approved by the said Secretary of State.

3. The said company shall accept the position of common carriers, and shall be subject to all acts, regulations, and rules for the time being in force in India with regard to railways, and shall, if deemed necessary by the said Secretary of State, become the subject of a special Act of the Legislative Council for India, for the purpose of fixing the relations between the said Secretary of State and the said company, and otherwise providing for its constitution, liabilities, and powers.

4. The said company shall for the first six miles from the terminus near Debrugarh, reserve along the road which may be given over to them under Clause 11 hereof, a strip of land, not less than 12 feet wide, for use as a common cart road, and running continuously along one side of the railway, and shall also reserve upon the rest of the said road, and every other road or part of a road which may be given over to them under Clause 11 hereof, a strip of land, not less than six feet wide, for use as a bridle path for horses, cattle, and foot passengers, and running continuously along one side of the railway: Provided always, that in the event of the exigencies of the said company making it necessary to use a greater breadth of the roads than will admit of a strip of 12

and

and 6 feet respectively being reserved as aforesaid, the said company shall before using the extra breadth required by them, widen or reconstruct the road so as to give and ensure the preservation of the prescribed width.

5. The said company shall carry goods, parcels, luggage, passengers, live stock, minerals, stores, and all other articles for which conveyance may be required, at rates and fares to be from time to time approved by the said Secretary of State, and shall also carry the mail, troops, and stores of Government, at rates to be agreed upon from time to time, but not exceeding those now paid for their conveyance in the district concerned, and shall, when required, give precedence to the demands of the said Secretary of State, whether for freight or passenger accommodation.

6. The said company shall from time to time run such trains between such places and at such times, periods, and speed as may from time to time be sufficient to carry the mails, goods, and passengers and other traffic of the said railway, and they shall run at least one train each way daily over the whole length of railway.

7. If and whenever from any cause whatsoever the traffic of the railway shall be interrupted or its equipment be injured or out of order, the said company shall, pending the resumption of traffic, or restoration or equipment, as the case may be, carry, by animal or other power, all such passengers, goods, mails, and other things as they may be under engagement to carry. Provided always that if the interruption be caused by no act, negligence, or default on the part of the said company, the said Secretary of State shall, notwithstanding the provisions of Clause 15, allow a reasonable time for the restoration of the said railway, or equipment, or road for the carriage of such passengers, goods, mails, and other things as aforesaid.

8. The said company shall be entitled to fell and use without payment of royalty on such Government land as may be assigned for the purpose any timber required for the purpose of the railway, either in the original construction or subsequent maintenance of the line, and for fuel, but not for sale or export. Provided always that no timber felled under this clause shall be burnt where it falls, but must be stacked and stored for fuel or must be utilised for the other requirements of the said company. Provided also that nothing in the preceding proviso contained shall be held to prevent the said company burning scrub and underwood (when it shall be necessary so to do for clearance purposes) in the manner usual in the district: Provided also that the right conferred upon the said company in this clause shall be limited to a period of five years from the date on which the line is opened under the Government subsidy to traffic, and shall be exercised strictly subject to the following conditions:—

1st. That the localities where the timber is cut on Government land by the said company shall be only those selected, defined, and assigned by the Forest Department.

2nd. That no trees be cut by the said company on Government land, except such as are marked for the purpose by officers of the Forest Department.

3rd. That all cut timber not removed on to the premises of the said company before the expiry of the said period of five years shall become the property of Government.

9. The accounts of the said company shall be submitted in such form as the said Secretary of State shall from time to time approve, and shall be subject to audit by the Government account officers, and all particulars of every nature or kind, and especially all statistics of traffic required or asked for by the said Secretary of State shall be furnished by the said company with all possible despatch.

10. The said company shall pay all money received by the said company for the carriage of goods, passengers, live stock, minerals, stores, and all other articles, and for mails, troops, and Government stores or otherwise, from the use of the railway into the Government Treasury at Debrooghur, on or before the 15th day of each month for the month preceding, and shall not withdraw any such monies nor give or enter into any contracts or orders or directions bearing on the revenue, receipts, or expenditure or the working of the railway, without

the consent either of the Government Directors hereinafter mentioned, or should no Government directors be appointed, of the chief or superintending engineer of Assam.

11. The said Secretary of State shall, subject to the provisions of these presents, allow to the said company the use, free of costs, of such portions of the Sadiya, Jaipur, Rangagora, and Sibsagor roads as may be required for the main line, and also such portions of Government land or roads as may be required for the construction of the aforesaid branch lines, or of any other lines that may be approved by the said Secretary of State, and also the use of all roadside land now the property of Government, which may be required by the said company for the purpose of building stations, sidings, &c., it being expressly understood that it shall be entirely in the option of Government of what lands they shall allow the use under this clause.

12. The said Secretary of State shall at all times hereafter, at his own expense, uphold and maintain the cart-road and bridle-paths to be reserved by the said company under Clause 4 of these presents, with all bridges, embankments, walls, fences, culverts, and other works now or hereafter to be constructed for the protection, upkeep, and maintenance thereof: Provided always, that the said company shall have the option of contracting under a separate agreement for the maintenance of the same road and bridle-paths respectively.

13. When the main line has been completed, with the equipments thereof, to the satisfaction of the said Secretary of State, and has been opened throughout its whole length for public traffic, the said Secretary of State shall, at the expiration of 12 months from the date of opening, and at the expiration of each succeeding period of 12 months until the end of 20 years from the date of opening the said main line, give to the said company an annual subsidy, to be reckoned from the time when the said main line shall be opened, of such amount (but not exceeding in any one year the sum of *Rs.* 80,000) as, together with the net earnings of the said company on the said main line, shall yield 5 per cent. on the paid-up capital of the said company, independent or exclusive of the cost of the Makum Branch: Provided always, and it is hereby expressly agreed and declared that until the said main line shall have been completed and opened throughout its whole length for public traffic as aforesaid, the said Secretary of State shall, upon any section or part or sections or parts thereof being completed with the equipment thereof to his satisfaction, and opened for public traffic, give to the said company in respect of each such section or part, a portion of the aforesaid subsidy, proportioned to the length of the section opened: *Ex. gr.*, upon one-fifth of the said line being opened, one-fifth of the said subsidy shall be payable on the same terms as those upon which the whole subsidy is payable on the opening of the whole line, and the amount of the subsidy payable for any section or part shall be payable until the completion and opening of the whole main line: Provided also, that if the net earnings for any year shall themselves be sufficient to give the required dividend of 5 per cent., no part of the said subsidy shall be payable, and in no case shall the amount of subsidy paid exceed *Rs.* 80,000, and provided also that such subsidy shall at all times be subject to deduction under Clause 15 hereof.

14. When, in addition to the main line, the Makum Branch shall have also been completed, with its equipment, to the satisfaction of the said Secretary of State, and the main line and the said branch shall have been open throughout their respective lengths for public traffic, the said Secretary of State shall, at the expiration of 12 months from the date of the opening of the said Makum Branch, and at the expiration of each succeeding period of 12 months until the end of 20 years from the date of such opening, give to the said company an annual subsidy of such amount (but not exceeding in any one year the sum of *Rs.* 20,000) as, together with the whole net earnings of the said company on the Makum Branch, shall yield 5 per cent. on the cost of making the Makum Branch: Provided always, and it is hereby expressly agreed and declared, that until the said branch shall have been completed and open throughout its whole length for public traffic as aforesaid, the said Secretary of State shall upon any section or part or sections or parts thereof being completed, with the equipment thereof, to his satisfaction and open for public traffic, give to the said company in respect of each such section or part or portion of the aforesaid

aforesaid subsidy proportioned to the length of the section opened: *Ex. gr.*, upon one-fifth of the said branch being opened, one-fifth of the said subsidy shall be payable on the same terms as those upon which the whole subsidy is payable on the opening of the whole branch, and the amount of the subsidy payable for any section or part shall be payable until the completion and opening of the whole branch: Provided always, that if such net earnings, either alone or together with the surplus net earnings over 5 per cent. of the said main line, and any other branches which may be constructed for any year, shall be sufficient to give the required dividend of 5 per cent. under this clause, no part of the said subsidy shall be payable, and in no case shall the amount of subsidy paid under this clause exceed *Rs.* 20,000: Provided also, that such subsidy shall at all times be subject to deduction under Clause 16 hereof.

15. If the company do not complete the works and equip the railway according to these presents within the period specified in Clause 1, or if they shall for the space of 30 days after notice in writing in that behalf by the said Secretary of State fail or neglect to maintain the said railway, roads, rolling stock, and other equipment in good order, as provided in Clause 2, it shall be lawful for the said Secretary of State to enter upon the premises of the said company, and take possession thereof, and of the rolling stock and other equipment as aforesaid, and execute all such repairs and works which may be necessary for the efficient working of the said railway.

16. If the said company shall fail to perform any of the terms of Clause 2 for any time extending over 14 days in any one year, the said Secretary of State shall be at liberty to deduct from the subsidy (if any) payable under Clause 13 or 14, as the case may be for that year, a sum not exceeding 210 rupees, if the provisions of Clause 13 shall be in operation, or 262 rupees, if the provisions of Clauses 13 and 14 together shall be in operation for each day that the said company may be in default, and in case the default shall extend over six months, the said Secretary of State shall be freed and discharged from all liabilities or obligations imposed on him by this agreement, and he shall be at liberty to call on the said company forthwith to remove their rails, sleepers, and plant, and all other their property, and to deliver up to him the possession of the lands, roads, and other property made over to the said company under this agreement, and the said Company shall bear and pay all the expenses which may be incurred in restoring the said lands and all roads to their original condition, for which expenses the said Secretary of State shall have a first lien on all the property of the said company.

17. It shall be lawful for the said Secretary of State during the aforesaid period of 20 years from the opening of the main line to appoint two directors who shall have the right to regulate rates, fares, and tolls, to examine all accounts, letters, and papers connected with the administration and working of the railway, and the revenue, earnings, and expenditure thereof, and to disallow all charges not in their opinion legitimately debitable to revenue according to the system or principle that may at the time be in force on State railways in regard to the distribution of expenditure between capital and revenue. In the event of the office of either director or of both directors being at any time vacant, the chief or superintending engineer of Assam shall exercise the powers of a director or of both directors as the case may be.

18. If after the expiration of five years from the date of opening the main line, the net profits of the said company shall amount to a sum exceeding 12 per cent. of their paid-up capital, the said Secretary of State shall be at liberty to require the said company to make, and the said company shall thereupon make such reduction in the tariff and rates as he may think necessary, provided that such reduction shall not lead to a diminution of net profits below 12 per cent.

19. The said Secretary of State shall have the option of purchasing the railway, and its rolling stock and other equipments and property of the said company at the expiration of the first five years from the date of opening the main line, and at subsequent intervals of five years, by paying the said company 20 per cent. in excess of the value (to be determined in case of difference by arbitration) of their property as a dividend paying investment. Provided always,

always, that 12 months' notice, at the least, of the intention to exercise this option of purchase shall be given to the said company.

20. In case any dispute, doubt, or difference shall arise between the Secretary of State and the said company upon anything herein contained, or in anywise relating to the agreement, the same shall upon the request in writing of either party be referred to the arbitration of two indifferent persons, one to be chosen by each party in difference within 30 days after such request shall have been received, and in case either of the parties in difference shall neglect or refuse to nominate an arbitrator, then the other party shall nominate another arbitrator, and the two arbitrators so to be appointed shall, before proceeding in the reference, nominate another indifferent person to be umpire, and the said arbitrators shall make their award in writing within three months after such reference shall be made, or in case the arbitrators shall not agree to make their award within that time, then the matters in difference shall be referred to the umpire, who shall make his award in writing within two months next after the same shall have been so referred to him, and such arbitrators and umpire shall have all the powers and authorities given by any law made in that behalf, and the award of the two arbitrators, or of the umpire (as the case may be) shall be final and conclusive between the parties, and to that end it is agreed that any submission or reference to arbitration under or by virtue of this clause, may be made a rule of any court of competent jurisdiction pursuant to the Act for the time being in force in India relating to civil procedure.

21. This agreement shall not take effect, and no liability shall be incurred under it on the part of either of the parties hereto unless a company shall be formed and registered within twelve calendar months from the date hereof, and the said firm shall in no case incur any personal liability by reason of their being parties to this agreement.

In witness whereof the said parties to these presents have hereunto set their respective hands and seals the day and year first above written.

Signed, sealed, and delivered by Major J. M. McNeile, R.E., Officiating Secretary to the Chief Commissioner of Assam in the Public Works Department for the Honourable the Chief Commissioner of Assam, acting in the premises for and on behalf of the Secretary of State for India in Council in the presence of

E. Raban, Lieut., R.E.,
Assist. Sec. P.W.D., Assam.

Fredk. Hutchinson,
Dep. Exam. P.W.D., Assam.

J. M. McNeile, Major, R.E.,
Officiating Secretary to
Chief Commissioner of
Assam, Public Works
Department.

L. S.

GENERAL SPECIFICATION referred to in the foregoing AGREEMENT.

1. The railway is to be laid on a gauge of one metre.

2. Before commencing work the company to submit a working plan and section, with drawings and estimates of all works, for the approval of the superintending engineer, Assam.

3. The width of the railway formation is to be not less than nine feet, exclusive of the width for the road, as specified in the agreement. The railway formation is to have side slopes of 1 in 2 in embankment and 1 in 1½ in small cuttings from the road. Side drains in cuttings are to be provided sufficient to keep the formation dry, and their width to be extra of formation.

4. The formation surface of banks and cuttings must be carefully formed so that the water cannot remain upon it.

5. *Bridging.*—The bridges of the existing road must be altered (where required) to the full width of formation. They must also be strengthened (where required) so as to bear, without undue strain, the greatest load that can possibly be brought upon them by

by the rolling stock used on girder bridges; the sleepers are to be securely fixed to the girders, and protected between the rails from fire; a sufficient bed of timber is to be provided under the girders, and a sufficient cushion of earth over all arches, to prevent the masonry suffering from the vibration of the trains.

6. Level crossings to be provided for all existing roads crossing or meeting the railway, and at such other places as the local authorities may require. They are to be provided with guard rails, and the surface of the crossing road is to be made up to the level of the rails which should be kept, as near as possible, to the level of the Dibrugarh and Sadiya road at the place.

7. Sleepers to be not less than six feet long, eight inches wide, and four inches deep. There are to be 2,400 to the mile.

8. The rails crossing and the switches are to be of steel. The rails are to weigh not less than 30 lbs. per yard. They are to be fished with two fish-plates and four bolts to each joint, and fastened to the joint sleepers with fang bolts, and to the other sleepers with dog spikes, four to each sleeper.

9. Sidings are to be provided at such places as the superintending engineer, Assam, may require.

10. Rolling stock is to be provided, sufficient in the opinion of the superintending engineer, Assam, for the efficient and regular conduct of the traffic, without undue wear and tear to the stock. Drawings of the rolling stock to be submitted for approval by the superintending engineer, Assam.

11. All permanent way, material, rolling stock, and other material obtained in England to be subject to the approval of the superintending engineer, Assam, who may subject them to the tests, mechanical and chemical, specified for similar material provided by contract for State railways, and reject such as fail to comply with these tests.

12. All materials obtained or manufactured in India and used in the line or its equipment to be subject to the approval of the superintending engineer, Assam, or his deputy, and to be liable to be tested as he may see fit.

13. All work executed in India on the line or its equipment to be subject to the approval of the superintending engineer, Assam, or his deputy, and executed to his satisfaction. Before being opened to public traffic the line must be passed by an officer who will be nominated by the Government of India for that purpose.

J. M. Williams, Lieut. Col.,
Secretary to Chief Commissioner,
Public Works Department,
Assam.

Shillong, 22 October 1879.

S. O. B. Ridsdale, Secretary,
Chief Commissioner, Assam.

E. Raban, Lieut. R.E.,
Assistant Secretary to Chief Commissioner, Assam,
Public Works Department.

CONTRACT between the SECRETARY of STATE for INDIA in COUNCIL and Messrs. SHAW, FINLAYSON & COMPANY on behalf of the ASSAM RAILWAY COMPANY, dated 25th July 1881.

THIS INDENTURE, made the 25th day of July 1881, between the SECRETARY of STATE for INDIA in COUNCIL for himself and his successors in office and assigns, hereinafter called "the said" Secretary of State, of the one part, and DAVID THOMAS SHAW, FRANCIS FINLAYSON, EVAN ALEXANDER JACK, JOHN HORNE, and PATRICK PLAYFAIR, who carry on business in co-partnership at Calcutta as merchants and agents, under the style or firm of Shaw, Finlayson & Company, hereinafter called "the said firm," acting in the premises for and on behalf of a Company intended to be shortly incorporated, to be called "the Assam Railways and Trading Company, Limited," of the other part, whereby it is agreed that a certain Indenture of Agreement, dated the 26th day of May 1880, and made between the said parties hereto, shall be altered and modified as follows:—

1. THE name of the company in the said agreement referred to as about to be incorporated and called "The Assam Railways Company, Limited," shall be and it is hereby altered to "The Assam Railways and Trading Company, Limited," as hereinbefore mentioned.

2. The time for constructing the respective railways authorised by the said

Indenture shall be extended as follows, (*a*) for the railway along the Government road towards Sadya until 24 months from the 15th of May 1881, and (*b*) for the branch line from Doom Dooma until 36 months from the 15th of May 1881, and in case the said company shall be prevented by *force majeure*, or by any cause not within their control, from completing the said railway and branch line within the said times, then due allowance shall be made for such *force majeure*, or other causes, and the respective times for completion shall be proportionately extended. The construction of any branch line or lines other than that from Doom Dooma aforesaid shall not be obligatory upon the said company.

3. The said Secretary of State in determining whether the said railway and branch line are constructed and equipped to his satisfaction shall pay due regard to the limited quantity and special character of the traffic that is to be expected in this as yet undeveloped and sparsely peopled district.

4. Clause 3 of the said Indenture, dated 26th May 1880, shall be altered, and, as altered, shall stand as follows:—

> "The said company shall accept the position of common carriers, and "shall be subject to all acts, regulations, and rules for the time being in "force in India with regard to railways, and shall, if deemed necessary by "the said Secretary of State, become the subject of a special Act of the "Legislative Council for India, for the purpose of giving effect to the stipu-"lations of this agreement between the said Secretary of State and the "said company, and otherwise providing for its constitution, liabilities, and "powers."

5. The said company, after opening for traffic the railway or branch line or any section thereof respectively, shall be entitled to have an open credit with the Government Treasury at Debrugarh for such amount as the said company may from time to time require for its working expenses not exceeding the amount of its actual payments into the said Treasury, up to which limit the said company are to be entitled at any time or times to draw money from the said Government Treasury.

6. The said Secretary of State shall from time to time, when thereunto required, exercise all such powers as Government may possess for a compulsory purchase (when necessary, and provided the said Secretary of State shall concur in such necessity) of all such lands as the said company may require for the purpose of its railways, branch lines, stations, and works.

7. In case the said Secretary of State shall at any time or times decide to authorise the construction of any other line or lines of railway or tramway in the district of Luckimpore, the said company shall have the preferential option of undertaking the contract with Government for the construction and working of any such railways or tramways as may affect, directly or indirectly, the traffic of the aforesaid district or the parts thereof in which the railways and branch lines of the said company are or may be situate.

In witness whereof the said parties to these presents have hereunto set their respective hands and seals the day and year first above written.

Signed, sealed, and delivered by Major J. M. McNeile, R.E., Esq., Secretary to the Chief Commissioner of Assam, for and on behalf of the Chief Commissioner of Assam, acting in the premises for and on behalf of the Secretary of State for India in Council, in the presence of

W. F. Trotter, Captain, Bengal Staff Corps, and J.P.

H. J. Peet, Major Bengal Army, Officiating Inspector General Police, Assam.

J. M. McNEILE, *Major* R.E., Officiating Secretary to Chief Commissioner, Assam, Department Public Works.

L. S.

CONTRACT between the SECRETARY of STATE for INDIA in COUNCIL and the BENGAL CENTRAL RAILWAY COMPANY, dated 26th July 1881.

THIS INDENTURE, made the 26th day of July 1881, between the SECRETARY of STATE in COUNCIL of INDIA of the one part, and the BENGAL CENTRAL RAILWAY COMPANY, LIMITED, of the other part, WITNESSETH that it is hereby agreed and declared as follows:—

Interpretation of Terms.

1. In this Contract—

The expression "the Secretary of State" means the Secretary of State in Council of India.

The expression "the company" means the company party to these presents.

Selection of Lines, &c.

2. It shall be lawful for the Secretary of State to select and determine the route and direction of a line of railway to commence at or near Calcutta, and to proceed by way of Baraset, Bongong, and Jessore, within the limits of the surveys and plans in the next succeeding section referred to, to a locality at or near Kulna, and also to select and determine the route and direction of a line of railway to commence at or near the Ranaghat Station of the Eastern Bengal Railway, and to proceed to a point at or near Bongong, and at such point to form a junction with the line of railway first mentioned in this section. Sufficient terminal accommodation shall be constructed by the company in Calcutta, or provided by the Secretary of State, as he may decide. The Secretary of State shall give notice to the company of the route and direction of each line selected by him, and of any part or parts thereof respectively when so selected. The Secretary of State shall have power to determine the situation and extent of the aforesaid junction, and of all stations, station yards, offices, warehouses, conveniences, and works to be constructed in connection with or as part of the said lines of railway respectively.

Repayment of certain Costs incurred by the Government of India.

3. Inasmuch as the Government of India has caused various surveys and plans to be made, and works to be executed, with the view of facilitating and expediting the construction of lines of railway to proceed respectively from Calcutta or its neighbourhood, by way of Baraset, Bongong, and Jessore to or near to Kulna, and from the Ranaghat Station of the Eastern Bengal Railway, or some point near that station to or near to Bongong, the company shall, within three months after the Government of India shall have signified in writing to the company the amount (in rupees) of money expended by Government in and about such surveys and plans and works, pay the amount so signified into the Treasury at Calcutta for the purposes of the Government of India; and the amount so paid shall, when certified by the Government of India, be deemed expenditure properly incurred by the company relative to the construction and completion of the said lines of railway. The company shall have the benefit of the surveys, plans, and works referred to in this section.

Land.

4. The Secretary of State shall, after the selection of the route and direction of the said lines of railway to be constructed by the company (hereinafter called "the said lines"), or of any part or parts thereof respectively, provide free of cost to the company the land which shall be required for the said lines and junction, or for the part or parts so selected and for the works connected therewith, and for proper stations, station yards, offices, warehouses, conveniences, and works, and for any junctions that the company may at any time, with the sanction of the Secretary of State, make between the said lines and any other railway, and shall give to the company possession of the land so provided. All

land of which possession shall be so given, which shall not be permanently required for the purposes of the company, shall, as soon as practicable, be restored and delivered up by the company to the Government of India.

Works.

5. The company shall, on receiving possession of land provided under the last preceding section, proceed with diligence in the construction thereon of the said lines and of all such stations, station yards, offices, warehouses, machinery, conveniences, and works as shall be necessary or expedient, as well with reference to the original construction of the lines and the working thereof, as with reference to their permanence and protection from injury by inundation, or other cause whatsoever. The railways constructed by the company shall be 5 feet 6 inches in gauge, and of a general structural character, in conformity with the now established standard of railways in India of that gauge.

Opening of the Lines for Traffic.

6. The company may, from time to time, as often as an inspecting officer acting on behalf of the Secretary of State shall certify that any portion of the said lines, or either of them, is fit for conveyance of passengers and goods, open the same portion for public traffic.

And the company shall open the said lines respectively for public traffic throughout, and supply them with a good and sufficient stock of engines, carriages, wagons, plant and machinery for working the same, when and so soon as such an inspecting officer as aforesaid shall have certified that the said lines are complete and fit for the conveyance of passengers and goods throughout.

Lease of Land to Company.

7. Upon both of the said lines being completed and opened for public traffic throughout, the Secretary of State will, at his own expense, and free of all expense or cost to the company, whether by way of rent or otherwise, grant to the company a lease of or otherwise secure to the company a right and title to the land which shall have been provided under section 4 (or so much of such land as shall be permanently required for the purposes of the company), for a term of 99 years, from ths 1st day of January 1882, subject to the same being sooner determined under the provisions in that behalf hereinafter contained; and the Secretary of State shall guarantee to the company the right to and possession of such land as against any claimant, but shall not be called upon to show any title thereto.

As to Maintenance of the Undertaking and Government Inspection.

8. The company shall keep the said lines (or so much thereof respectively as shall for the time being have been opened for traffic), and all the stations, station yards, offices, warehouses, conveniences, and works thereto belonging, in good repair and sufficiently supplied with engines, carriages, rolling stock, plant and machinery, and shall keep the whole in good working condition.

The whole shall at all times be open to inspection by any officer or officers acting on behalf of the Secretary of State; and the company shall afford to every inspecting officer all such facilities as may be reasonably requisite to enable him to perform his duties. The company shall forthwith execute all such works as the Secretary of State shall, by notice in writing, require the company to execute, for the purpose of keeping the said lines in good repair and in good working condition. The company shall also, from time to time, provide sufficient working capital for the service of the said lines.

9. After the said lines shall be opened for traffic throughout the Secretary of State may, from time to time, by notice in writing, require the company to carry out, at their own cost, any reasonable alteration or improvement in or addition to, the said lines, or in or to any stations, station yards, offices, warehouses, conveniences, or works therewith connected respectively, which may be necessary for the safety of passengers or of the public. Such notice shall specify the alteration, addition, or improvement required, and shall also in general terms describe

describe the works to be executed for the purpose of carrying out such alteration, addition, or improvement. On receiving any such notice the company shall, with all reasonable speed, execute the works described therein, the Secretary of State providing (free of cost, and on terms similar to those on which land is to be provided under Section 4), any land that may be required for the purpose, and granting to the company a lease of such land to run concurrently with and for the like term as the lease in Section 7 mentioned, and upon the same terms. If, in any case, the company shall fail to execute and complete the works to the satisfaction of the Secretary of State, and within a reasonable time, the Secretary of State may execute the works, or a portion thereof unexecuted by the company, and (for that purpose) may from time to time enter upon any land or premises of the company; and the company shall, on demand, pay into the Treasury at Calcutta, for the purposes of the Government of India, the moneys expended by him in executing such works; and if such moneys shall not be paid on demand, the same shall carry interest as against the company at the rate of four per cent. per annum, to be computed from the time of demand for payment of such moneys until payment of the same. The Secretary of State may, at any time, apply any moneys payable by him to the company under any of the provisions of these presents, in or towards the satisfaction of any principal moneys or interest due to him by the company under this section; and when section 27 shall have ceased to operate, such principal moneys and interest shall be a first charge on the net earnings of the company from time to time accruing.

10. The Secretary of State may, from time to time, prohibit the company from using any engine, carriage, wagon, vehicle, boat, machine, or appliance of any kind whatsoever, the use of which shall be declared by a duly authorised inspecting officer to be attended with danger to passengers or the public; and the Secretary of State may, by taking possession of such engine, carriage, wagon, vehicle, boat, machine, or appliance, or by such other means as he shall think fit to employ, prevent the company from using the same.

As to working the Undertaking and Conveyance of Traffic.

11. The company shall, unless hindered or prevented by accident or any other matter beyond their own control, cause at least one train daily to be run from either extremity of each of the said lines which shall for the time being have been opened for traffic, to the other extremity of the same line.

12. The rates and fares to be charged by the company for the carriage of passengers and goods respectively shall not be in excess of the following maxima (that is to say):

Passenger Fares.	Goods Rates.
1st class, 12 pies per mile.	1st class, $\frac{1}{4}$ of a pie per maund per mile.
2nd class, 6 pies per mile.	2nd class, $\frac{3}{4}$ of a pie per maund per mile.
3rd class, 4½ pies per mile.	3rd class, 1 pie per maund per mile.
4th class, 3 pies per mile.	

The classification of goods shall be arranged by the company, subject to the approval of the Secretary of State.

13. The company will, at all times, convey free of charge on the said lines of railway respectively, and any part thereof which for the time being shall have been opened for traffic, the Government mails and post office bags, and the guards and other servants of the post office in charge thereof, and also (when they are on duty) all officers and persons in the administration of the post office. The company will, at all times, also convey all troops and sailors in Her Majesty's service, and all other persons to whom the provisions of the acts and regulations for the time being in force for Her Majesty's naval, and for Her Majesty's European and Indian forces, respectively, shall be applicable, and all police officers, engineers, artizans, and other persons when employed in the business

of the Government, at rates calculated as follows:—*i.e.* All commissioned officers in Her Majesty's naval and military services, and persons in a similar station in life, shall be entitled to travel in first-class carriages at second-class fares; European troops, sailors, and artizans, and Europeans in Her Majesty's Indian Army (under the rank of commissioned officers), shall be entitled to travel in second-class carriages at the lowest fares; and all other such persons aforesaid, including prisoners and paupers, at the lowest fares. For every 100 men conveyed at the lowest fares, two tons of luggage will be conveyed free of charge, and persons entitled to travel first-class will be allowed the ordinary amount of luggage taken by a first-class passenger free of charge. The company will also, at all times, when and as required by Government, convey all military and naval establishments not hereinbefore specified, all horses and other animals used for military purposes, guns, military stores, and equipments, and all public stores of what kind soever, at the lowest rates for the time being ordinarily chargeable by the company for the carriage of such animals, goods, and stores respectively. The several privileges of conveyance and carriage hereby stipulated for shall, at all times, be enjoyed in preference to, and with priority over, the public use of the said lines.

14. The company shall convey gold and silver bullion and coin, and copper coin belonging to Government, and the persons in charge thereof, at special rates to be from time to time agreed upon between the Secretary of State and the company.

Telegraphs.

15. The Secretary of State shall be at liberty to construct, maintain, use and work, as his own property, such electric telegraphs and telegraphic appliances as he shall think fit, along the said lines or any part or parts thereof; and it shall be lawful for him for such purposes to enter at all reasonable times by his agents, workmen or others, on the said lines, or any part of them, and to erect, maintain, make, do, and execute thereon all such buildings, machinery, works, acts and things, as the Secretary of State shall consider necessary or proper in relation to the construction, maintenance, use and working of the said telegraphs and telegraphic appliances. The Secretary of State shall not, in respect to such matters, or any of them, be subject to the control or interference of the company. All buildings, machinery, works and appliances erected or brought, by or on behalf of the Secretary of State, on the said lines or either of them, shall be and remain the property of the Secretary of State.

The company shall at all times furnish the Secretary of State with such free passes as may be required for persons employed by him in or about or in anywise in connection with the erection, maintenance, working or inspection of the said telegraphs and telegraphic appliances.

16. The Secretary of State shall construct or provide such electric telegraphs and telegraphic appliances as the company shall, with the sanction of the Secretary of State, from time to time require, for the purposes of working the said lines, and the Secretary of State will allow the company to have the exclusive use (so long as they shall work the said lines) of such telegraphs and telegraphic appliances, and will maintain the same in good repair and in good working condition.

The working of such telegraphs and telegraphic appliances shall be exclusively in the hands of the company, and at their cost; but the company, if so directed by the Secretary of State, will observe the rules for the time being in force in the case of State railway telegraphs, or such of the said rules as the Secretary of State may from time to time prescribe for their observance. And the company will pay the charges of the Government Telegraph Department for rent, maintenance and inspection of the telegraphs and telegraphic appliances provided under this section for their use.

Police.

17. The Secretary of State shall provide and maintain for the purposes of the said lines such a force of police as the company, with the approval of the Secretary of State, shall from time to time require: Provided that in case of

of difference between the Secretary of State and the company as to the portion of the force required for the preservation of law and order, the determination of the question shall rest with the Secretary of State. The cost of providing and maintaining the whole force of police employed for the purposes of the said lines shall be defrayed as follows (that is to say), three-tenths thereof shall be borne by the Secretary of State, and the remaining seven-tenths shall be borne by the company.

Application of Indian Railway Acts.

18. The company and its lines of railway and undertaking shall be subject to the provisions of the "Indian Railway Act, 1879," and to all other Acts of the Indian Legislature in force for the time being in the province of Bengal.

Money Capital.

19. The company shall pay into the Bank of England to the account of the Secretary of State the sum of 1,000,000 *l.* by such instalments and at such times as the Secretary of State and the company shall agree to be requisite to ensure the due prosecution and completion of the said lines, with the aforesaid junction, and all stations, station yards, offices, warehouses, machinery, conveniences and works necessary or expedient in connection therewith, to ensure the said lines being adequately supplied with engines, carriages, rolling stock, plant and machinery, and being duly opened for the conveyance of passengers and goods throughout.

Drafts on Capital.

20. As often as any money shall be required by the company for purposes to which the same is properly applicable under these presents, the same may be drawn by the company in London, in such sums, as shall from time to time be shown to the satisfaction of the Secretary of State to be necessary, and according to such arrangements as shall be made from time to time with the Secretary of State for the purpose. Ten days' notice of every draft, or proposed draft, shall be given to the Secretary of State, and the company shall not in any case be entitled to draw to an extent greater than the balance in its favour for the time being.

Deficiency of Money Capital.

21. If when the whole of the said sum of 1,000,000 *l.* shall, after being paid into the Bank of England to the account of the Secretary of State, have been drawn by the company and expended by it, both of the said lines, with their stations, station yards, offices, warehouses, conveniences, and works, shall not have been completed in all respects in conformity with the provisions of these presents and adequately provided with engines, carriages, rolling stock, plant and machinery, and with sufficient working capital, the company shall, with the sanction of the Secretary of State, provide the money necessary to defray the further expenditure requisite to enable the company fully to carry out and give effect to the provisions of these presents; and such money shall be paid by the company into the Bank of England to the account of the Secretary of State, and the moneys so paid, as last aforesaid, may be drawn by the company in the same manner as nearly as may be as if they had formed part of the aforesaid sum of 1,000,000 *l.*

Payment of Interest to Company.

22. The Secretary of State will, until both the said lines are completed and opened for traffic throughout, or until the 30th day of June 1886 (inclusive of such day), whichever shall first happen, pay to the company in London, out of the revenues of India, half-yearly, on every 1st day of July and 1st day of January, interest at the rate of 4 *l.* per cent. per annum, on all or any such sums or sum, not in the whole exceeding 1,250,000 *l.*, as shall for the time being have been paid by the company into the Bank of England to the credit of the Secretary of State, under the provisions contained in sections 19 and 21,

the interest on each individual sum to commence from time when the same shall have been paid into the Bank of England.

If the liability of the Secretary of State to pay interest to the Company shall terminate by the completion and opening for traffic of both the said lines, the Secretary of State shall, as soon as may be, pay to the company any interest due, calculated up to the date of such termination; and a duly apportioned amount of the net earnings of the company realised in respect of the half-year current at the date of the termination of the liability of the Secretary of State under this section to pay interest, shall be applied by the company towards the repayment, in London, to the Secretary of State, of the apportioned interest paid by him.

As to Interest on Interest paid by Secretary of State, and Repayment of Interest.

23. On all moneys paid as interest by the Secretary of State until repaid to him under the provisions in that behalf hereinafter contained, he shall be entitled to simple interest at the rate of 4 *l.* per cent. per annum, accruing *de die in diem*, and calculated on the same moneys respectively from the respective dates of the payment thereof to the company until repayment; but such moneys, or any interest thereon, shall not be repayable or payable to the Secretary of State except so far as he shall become entitled to receive the same under the provisions hereinafter contained. Provided nevertheless that the Secretary of State shall not be entitled to interest on any such part of any half-yearly payment of interest made by him to the company as shall be ultimately repaid to him out or by means of the net earnings (hereinafter defined) of the company attributable to the half-year in respect of which the same half-yearly payment of interest shall have been made.

Net Earnings and Working Expenses.

24. All moneys received by or on account of the company in India in respect of the working of the said lines or either of them, or any part or parts thereof which shall for the time being have been opened for traffic, and all income (not being interest paid by the Secretary of State to the company under Section 22 hereof) in anywise received by the company in respect of the undertaking which shall be carried on by them under the provisions of these presents (which said moneys and income are hereinafter collectively termed gross earnings of the company), shall, in the first place, be applicable in payment of the working expenses (as hereinafter defined) of the company, in such manner that the working expenses of every half-year shall, as far as possible, be borne by the gross earnings of the half-year to which such working expenses are properly attributable, and the residue remaining from time to time at the end of each half-year, after deducting all unpaid working expenses incurred up to the end of such half-year, shall be deemed the net earnings of the company for that half-year, and shall be dealt with accordingly.

25. The term working expenses of the company shall mean and include all costs and expenses incurred by the company in and about the maintenance, management, and working of the said lines, with all stations, station yards, offices, warehouses, conveniences, junctions, and works, rolling stock, plant, and machinery thereto belonging, or therewith or thereon used, and in and about the working of any electric telegraphs and telegraphic appliances provided under Section 16, and, in general, all reasonable expenses of managing and carrying on the undertaking of the company.

In the working expenses there shall be reckoned and included so much of the cost of providing and maintaining a police force for the purposes of the said lines as is not hereby agreed to be borne by the Secretary of State, the charges of the Government Telegraph Department for rent, maintenance, and inspection of the telegraphs and telegraphic appliances provided for the use of the company, and any other expenditure (whether in the nature of a payment towards a sinking or reserve fund or otherwise), which the Secretary of State, and the company may from time to time agree to treat as working expenses; but no part of the cost of the original construction of the said lines or of any of the stations, station yards, offices, warehouses, conveniences, and works,

or

or of any additions to the same or either of them, or of the purchase (except by way of replacement or renewal) of any of the engines, carriages, rolling stock, plant or machinery belonging to or used with or on, or provided for the said lines, shall be included in the working expenses of the company.

26. The company shall, from and after the opening for traffic of the said lines, or of any part or parts thereof respectively, keep a revenue account, in which shall be entered all the gross earnings of the company and the working expenses of the company. The revenue account shall be made up half-yearly to the 30th day of June and the 31st day of December in every year, or to such other days as the Secretary of State shall from time to time prescribe.

Temporary Provisions.

27. So long as the Secretary of State shall be liable to pay any interest to the company under Section 22, and, after the termination of such liability, so long as the interest paid by him to the company, and the interest on all such portions thereof as under the provisions hereinbefore contained shall carry interest, shall not have been respectively fully repaid and paid to him, or so long as any moneys (whether for principal or interest) are due by the company under Section 9 to the Secretary of State, the following sub-sections respectively lettered (*a*) (*b*) and (*c*) shall apply and be in force:—

(*a*.) All moneys received by or on account of the company in India, in respect of the working of the said lines or either of them, or any part or parts thereof which, for the time being, shall have been opened for traffic, shall, at such times and in such manner as the Secretary of State may from time to time direct, be paid without deduction into the Treasury of the Government of India at Calcutta, to a separate account; and such moneys may be drawn upon by the company, whether for expenditure in India or remittance to England, according to such arrangements as shall from time to time be made with the Secretary of State, for application to any purposes to which such moneys are by these presents applicable.

(*b*.) The net earnings of the company in or in respect of each half-year shall be applied by the company for the purposes, and in the order following; that is to say:—

(1.) To repay to the Secretary of State, as far as may be, the interest paid by him to the company in respect of the same half-year.

(2.) To pay to the company in London 2 *l*. 10 *s*. per cent. on the total amount of the moneys paid by the company into the Bank of England conformably with the provisions of these presents.

(3.) As to one-half of any residue remaining after making the payments hereinbefore in this sub-section specified, or such part thereof, less than a half, as shall be sufficient for the purpose to pay thereout, as far as may be, to the Secretary of State, in London.

Firstly, any interest due to him under the provisions of Section 23; and

Secondly, any moneys which the Secretary of State shall have paid to the company as interest under Section 22, and which shall not then already have been repaid to him;

And as to the other half of such residue, or other the ultimate remainder of the said net earnings, to pay the same to the company for its own use.

Provided nevertheless, and it is hereby declared that notwithstanding anything hereinbefore contained, the company shall be entitled to have their net earnings which shall be realised in each separate entire calendar year, computed from the time when both the aforesaid lines shall have been completed and opened for traffic, applied in making payment to them in full of the two half-yearly amounts of 2 *l*. 10 *s*. per cent. on the total amount of the moneys paid by the company into the Bank of England conformably

formably with the provisions of these presents attributable to the same calendar year in priority to the application thereof, to any other of the aforesaid purposes mentioned in this sub-section, and in dealing with the net earnings of the company regard shall be had to this declaration, and no part of any net earnings realised in the first half of any calendar year, computed as aforesaid, shall be applied otherwise than in or towards satisfaction to the company of 2 *l.* 10 *s.* per cent. on the said total amount until after the expiration of the second half of the same calendar year.

(*c.*) The revenue account shall be regularly submitted by the company to the Secretary of State, who may audit the same (the company giving every facility and assistance required for such audit), concurrently with or after expenditure, or in both ways, as he may think fit, and may in case of error being discovered therein correct the same within three calendar months after the account containing such error shall have been submitted to him. Every revenue account shall be considered as settled at the expiration of three calendar months after the same shall have been submitted to the Secretary of State: but nevertheless any error which may (whether subsequently or not) be discovered therein shall be corrected in the next revenue account, or in any subsequent revenue account or accounts, as the Secretary of State may determine. Any reasonable expenses of and incidental to every audit on behalf of the Secretary of State (including the expenses incurred by the employment by the Secretary of State of any person for any purpose connected therewith) shall be paid by the company, and shall form part of the working expenses of the company; and the statement by the Secretary of State of the amount of such expenses shall be conclusive.

28. When and as the liability of the Secretary of State, under the provisions hereinbefore contained, to pay interest to the company shall have terminated, and all interest paid by him to the company, and the interest which shall accrue on such portions thereof as shall carry interest, and all moneys due to the Secretary of State under Section 9, shall have been respectively fully repaid and paid to him—any moneys paid into the Treasury at Calcutta by the company under sub-section (*a*) of Section 27, and not already drawn out by the company, or otherwise dealt with conformably with these presents, shall belong absolutely to the company, and shall forthwith be paid over to them by the Secretary of State.

Capital Expenditure and Account.

29. All the expenditure of the company during or relative to the original construction and completion of the said lines, with the aforesaid junction and the said stations, station yards, offices, warehouses, conveniences, junctions, and works respectively, and relative to the cost of originally supplying the requisite engines, carriages, rolling stock, plant and machinery, and any boats required for working any ferry, shall from time to time be stated by the company, and submitted to the Secretary of State; and, as between the company and the Secretary of State, such expenditure shall be allowed so far only as the same shall from time to time be admitted by him.

30. The question whether any expenditure incurred by the company is to be treated in the whole or in part as a charge incurred on capital account, or how the same is to be dealt with, shall be determined on the general principle that capital is to bear the cost of new works, of additional rolling stock, plant and machinery, and of substantial improvements of and additions to old works, rolling stock, plant and machinery (including the cost of any temporary new work, the construction of which is requisite for the construction of a work properly chargeable to capital), and that the cost of repairs, restorations, renewals or replacements, falls under the head of working expenses, and is not a charge incurred on capital account, provided that the expenses of maintenance or repair necessitated by causes other than fair or ordinary wear and tear, if incurred within 12 months after the opening for traffic, shall be borne by capital. After the said lines have been opened for traffic throughout, no portion of the salaries or allowances of any of the company's permanent supervising or other administrative

administrative staff shall be chargeable to capital, although for the time being employed partly or wholly in directing or superintending work so chargeable; and no expenses connected with the engagement, or passage from or to England, of any person in the company's service shall be chargeable to capital, unless such person shall have been specially engaged to carry out work chargeable to capital, and been actually employed upon such work; but until the lines are opened for traffic throughout, all the expenses of the company (including all costs of and incidental to the formation and registration of the company) shall be chargeable to capital, except to the extent to which there may in any half-year be earnings of the company applicable to meet the expenses of such half year.

31. If any difference shall arise between the Secretary of State and the company, as to whether any expenditure incurred, in any particular case, is to be treated as a charge incurred on capital account, the matter in difference shall be referred to the decision of the joint auditor, if the Secretary of State and the company shall have appointed such an officer; but in case a joint auditor shall not have been appointed, then the matter in difference shall be referred for final decision to the company's auditor (or some other person to be named by the company), and a Government examiner of railway accounts (or some other person to be named by the Secretary of State), or in case of their being unable to agree, to a referee to be named by them. The costs of any such reference shall, unless the Secretary of State shall otherwise direct, be treated as part of the working expenses of the company.

32. The company shall enter all the expenditure allowed under Section 29 in an account, to be called "The Capital Account;" and when and so soon as the said lines, with the aforesaid junction, and all proper stations, station yards, offices, warehouses, conveniences, and works shall have been completed, and provided with the necessary engines, carriages, rolling stock, plant, and machinery, the Secretary of State shall, by examination of such account, ascertain and certify the amount of the expenditure. If any further expenditure shall from time to time be made by the company, or if any payment shall be made by the company to reimburse the Secretary of State for moneys expended by him under Section 9, and if the Secretary of State shall admit that such expenditure or payment is properly chargeable to capital, the same shall in like manner be entered in the capital account. And from time to time, as occasion shall require, the said capital account shall be made up and stated afresh, and the total amount of expenditure entered therein shall be ascertained and certified by the Secretary of State. In the said capital account shall also be entered any moneys produced by sale of property originally purchased under expenditure entered in the said capital account under Section 29 or this present section, and the Secretary of State shall from time to time, as may be necessary, ascertain and certify the amount of the excess of the expenditure entered in the capital account over the receipts entered therein.

Rate of Exchange.

33. If for the settlement of any transaction, arising between the Secretary of State and the company, it become necessary to decide at what rate of exchange any sums shall be converted from Indian currency into sterling money, the rate to be adopted shall be the average rate at which bills shall have been drawn by the Secretary of State on the Treasury of the Government of India at Calcutta, in the half-year or half-years in which the transactions may have occurred.

Accounts and Returns of Traffic.

34. The company shall keep all such accounts and returns of its traffic as are required by the Government to be kept by the Indian railway companies whose undertakings are worked under the supervision of the Secretary of State, and in the forms in which the same accounts and returns of traffic are required to be kept by such companies; and the company shall, at its own cost, render all accounts and returns of traffic required to be kept by it, under this section, to the Secretary of State, at such times as he shall from time to time require.

Return of Surplus.

35. If it shall happen that when the said lines have been completed and opened for traffic throughout, with the aforesaid junction and all proper stations, station yards, offices, warehouses, conveniences, junctions, and works, and furnished with sufficient engines, carriages, rolling stock, plant, and machinery, the company shall not have drawn out the whole of the moneys paid by it into the Bank of England to the credit of the Secretary of State, pursuant to these presents, the balance of such moneys remaining undrawn shall be refunded to the company in London: Provided always, that it shall be lawful for the Secretary of State to deduct therefrom any sum then payable by the company to him under the provisions of Section 9 of these presents.

Running Powers over other Systems, and interchange of Traffic.

36. The Secretary of State will, upon such terms as may from time to time be agreed upon between him and the company, endeavour to obtain for the company powers to form such junctions as the Secretary of State may approve, with railways belonging to other companies or to the State, and powers to run the trains of the company on such other railways upon reasonable terms and conditions, and in particular the Secretary of State will endeavour to obtain such powers for the company with reference to the railways of the Eastern Bengal Railway Company, and of the Calcutta Municipal and Port Commissioners respectively, in such manner as the Secretary of State may think necessary in order to insure to the company convenient access to a suitable terminal station at Calcutta, and to the warehouses and wharves on the Hooghly.

37. The company will, from time to time, upon the requisition of the Secretary of State, make reasonable arrangements for the use of the said lines for the passage of engines and trains belonging to other railway companies or to State railways, for the interchange of traffic and rolling stock belonging to other companies or the State, and for the use of any of the stations of the company situated on the said lines, for the accommodation of the traffic of any other railway company or State railway: Provided that all such arrangements shall be made subject to the payment of reasonable tolls and under reasonable conditions and restrictions.

Miscellaneous Provisions.

38. The Secretary of State will promote the passing by the Legislature in India of any Act or Acts which may be required to enable the company to fulfil the obligations hereby undertaken by it.

39. Every notice, direction, requisition, appointment, approval or certificate to be given or signified on the part of the Secretary of State, for any of the purposes of these presents, shall be sufficient and binding, if in writing signed by the Secretary of State, or one of his Under Secretaries, or his Assistant Under Secretary, or by a Secretary of Government at Calcutta, or by any other officer or servant duly authorised to act on behalf of the Secretary of State or the Government of India in respect of the matters to which the same shall relate: and the Secretary of State shall not in any case be bound in respect of any of the matters mentioned in this section unless the matter shall be duly stated in writing and signed.

40. The company shall at all times keep an office established at Calcutta, and shall keep at such office an authorised agent, or committee of agency, with whom the Secretary of State and the Government of India, or any officer or officers properly deputed in that behalf, may communicate on affairs concerning the railways of the company. All drafts drawn and receipts given by the said agent, or committee of agency, or under his or their authority, on behalf of the company, concerning the railways of the company and the affairs thereof, shall be binding on the company; and every notice to be given to the company, other than the notices mentioned in any of the several sections hereinafter contained, shall be sufficiently given if left at the office mentioned in this section, or if personally served on the said agent or on any member of the said committee or agency.

Lapse to Government by efflux of Time.

41. At the end of the term of 99 years (on the 31st day of December 1980), the land which shall have been provided for the company under these presents, so far as the same shall not have been previously restored and delivered up by the company, shall, with the said lines and all buildings, works, and fixed machinery thereon not then already belonging to the Secretary of State, revert to the Secretary of State, free from all debts and charges whatsoever. The company shall thereupon deliver to the Secretary of State all plans, surveys, sections, books, printings, writings, drawings, and documents whatsoever in anywise connected with the said lines and the affairs thereof. And the company shall sell, and the Secretary of State shall purchase, all engines, carriages, rolling stock, plant and machinery, stores and boats, which at the end of the said term of 99 years shall be the property of the company and used in working the said lines or in connection therewith, for such sum of money as shall be the fair value thereof, the same to be determined, in case of dispute, by arbitration in manner by Section 45 provided in respect of the matters therein dealt with. And such sum of money, with interest thereon at the rate of 5 *l.* per centum per annum, calculated from the expiration of the said term of 99 years, until payment shall be paid by the Secretary of State, out of the revenues of India, to the company in London, within four calendar months after the amount thereof shall have been determined.

Purchase by the Secretary of State.

42. It shall be lawful for the Secretary of State to purchase the said lines, with the stations, station yards, offices, warehouses, works, conveniences, engines, carriages, rolling stock, plant, machinery, stores and boats, thereto belonging, either upon the 1st day of January 1912, or upon the 1st day of January 1932, upon giving one year's previous notice in writing to the company in London of his intention to purchase. And in case such notice of purchase shall be given, the land provided for the company under these presents, so far as the same shall not have been previously restored and delivered up, with the lines and all buildings, works, and machinery thereon (not then already belonging to the Secretary of State), and all engines, carriages, rolling stock, plant, machinery, stores and boats used in working the said lines or in connection therewith, or appropriated thereto, shall on the 1st day of January 1912, or on the 1st day of January 1932 (according as the notice of purchase shall have been given for the one of those dates or for the other), become the absolute property of the Secretary of State, free from all debts and charges whatsoever. And the company shall thereupon deliver to the Secretary of State all the engines, carriages, rolling stock, plant, machinery, stores and boats, used upon or in connection with or appropriated to the said lines, and all plans, surveys, sections, printings, writings, drawings, and documents whatsoever in anywise relating thereto. The Secretary of State shall on the day on which the said lines, and other the premises mentioned in this section, shall, under this section, become his property, pay to the company in London, out of the revenues of India, the amount of the expenditure entered in the capital account and certified by the Secretary of State (if no receipts shall have been entered in the capital account), or (in case any receipts shall have been entered therein), then the ultimate certified excess of such expenditure as last aforesaid over such receipts as last aforesaid, together with, in either case, such bonus as hereinafter provided (that is to say), in the former of the said two cases a bonus at the rate of 25 *l.* per cent. upon the total expenditure entered in the capital account, and so certified as aforesaid, and in the latter of the same two cases a bonus at the like rate upon the largest certified excess which there shall at any previous time have been of the expenditure entered in the capital account over the receipts which shall up to the same previous time have been entered therein, and together with, in either of the said two cases a bonus, at the rate of 25 *l.* per cent. on the maximum amount which shall at any time have been agreed to by the Secretary of State as the amount of working capital of the company appropriated to its undertaking contemplated by these presents, and together also with the value (to be ascertained by arbitration, in case of difference) of any stores delivered up to the Secretary of State under this section: Provided that the Secretary of State shall not under this section become liable to pay a larger

amount to the company in respect of bonuses than 312,500 *l.*, or to pay to the company a larger aggregate amount than 1,812,500 *l.*, and such aggregate amount shall be subject to deductions, as hereinafter provided (that is to say) the Secretary of State shall deduct therefrom the sum (to be ascertained by arbitration in case of difference) requisite to place the said lines in fair working condition, and to render their equipment with engines, carriages, rolling-stock, plant, machinery, and boats reasonably adequate, both in quality and quantity, to the amounts charged in the capital account for such equipment.

Provision for Default of Company in Constructing and Working the Railways.

43. If default shall be made by the company in raising or paying the said sum of 1,000,000 *l.*, or any of the instalments thereof, or such further capital as shall be required for the construction and completion of the said lines, or in the due application of any moneys drawn by the company out of the moneys paid into the Bank of England to the account of the Secretary of State, or in the execution and completion of the said lines and works hereby provided to be executed and completed, or in case of any breach on the part of the company of any of the provisions herein contained, it shall be lawful for the Secretary of State to give the company in London six calendar months' notice in writing of his intention to terminate the interest of the company in the said lines and works and the land provided for the same, and unless the default or breach shall be made good or remedied prior to the expiration of the said six calendar months it shall be lawful for the Secretary of State, on the expiration of the same six calendar months, to assume possession of the said lines, works, and land, and of the engines, carriages, rolling-stock, plant, machinery, stores, and boats, belonging or appropriated to the said lines, free from all debts and charges whatsoever. And in case of such possession being assumed, the Secretary of State shall be liable to pay out of the revenues of India, to the company in London, within six calendar months from so assuming possession, the amount of the expenditure of the company entered in the capital account and certified by the Secretary of State (if no receipts shall have been entered in the capital account), or (if any receipt shall then have been entered therein) the ultimate certified excess of such expenditure as last aforesaid, over such receipts as last aforesaid, together with the value (to be ascertained by arbitration in case of difference) of any stores of which the Secretary of State shall have assumed possession under this section, and together also with so much (if any) of the moneys paid by the company into the Bank of England to the account of the Secretary of State, pursuant to these presents, as shall then not have been drawn out by the company: Provided that from the amount becoming payable by the Secretary of State under this section, shall be deducted by the Secretary of State, in case the powers of this present section shall be exercised subsequently to the opening of the said lines for traffic, the sum (to be ascertained by arbitration in case of difference) requisite to restore the said lines to a fair working condition, and render their equipment with engines, carriages, rolling-stock, plant, machinery, and boats reasonably adequate, both in quality and quantity, to the amounts charged in the capital account for such equipment.

Extinguishment of Liability.

44. Upon the Secretary of State acquiring the right of possession of the said lines, and the interest of the company in the same terminating, under any of the three sections last hereinbefore contained, the obligations of the parties hereto under any of the provisions of these presents, save provisions in such three sections contained, shall cease: But this shall not exempt either party from liability for previous breaches of provisons in these presents contained, or deprive the Secretary of State of the right to recover from the company any moneys which the company shall be under liability to pay to him, or from applying in or towards satisfaction of any such moneys as last aforesaid any moneys becoming payable by him to the company under any of the three sections last hereinbefore contained.

Arbitration.

45. If the Secretary of State and the company shall fail to agree touching any matter with respect to which their agreement is required by these presents, or if (in any case not hereinbefore specially provided for) any dispute, question, or controversy shall at any time arise between the Secretary of State and the company touching these presents, or the construction or operation hereof, or the rights, duties or liabilities of either party in relation to the premises, then and in every such case the matter as to which the Secretary of State and the company shall fail to agree, or the matter in difference, as the case may be, shall be referred to two arbitrators or their umpire, pursuant to and so as, with regard to the mode and consequences of the reference and in all other respects, to conform to the provisions in that behalf contained in the Common Law Procedure Act, 1854, or any subsisting statutory modification thereof; and upon every such reference, the arbitrators and umpire shall respectively have power to examine witnesses upon oath or affirmation, and either to fix, settle, and determine the amount of costs of the reference and award respectively, or incidental thereto, to be paid by both parties, or by either party, or to direct the same to be taxed either as between solicitor and client or otherwise, and to direct and award where and by and to whom such costs shall be paid: and every or any such reference may be made a rule of Her Majesty's High Court of Justice, or of the High Court of Judicature at Fort William in Bengal, on the application of the Secretary of State or of the company, and either the Secretary of State or the company may instruct counsel to consent thereto for the other party.

In witness whereof Sir Barrow Helbert Ellis, K.C.S.I., and Lieutenant General Sir Henry Wylie Norman, K.C.B., C.I.E., being two Members of the Council of India, have hereunto set their hands and seals, and the Bengal Central Railway Company, Limited, have hereunto caused their common seal to be affixed the day and year first above named.

Signed, sealed, and delivered by the above-named Sir Barrow Helbert Ellis and Sir Henry Wylie Norman, in the presence of

Henry Treasure,
India Office, Solicitor.

B. H. ELLIS. L. S.

H. W. NORMAN. L. S.

The Common Seal of the Bengal Central Railway Company, Limited, was hereunto affixed in the presence of

C. H. Dickens,
Edward F. Harrison, } Directors.

D. A. Traill Christie,
Secretary.

L. S.
Seal of the Bengal Central Railway Co. Limited.

CONTRACT between the SECRETARY of STATE for INDIA in COUNCIL and the OUDE and ROHILKUND RAILWAY COMPANY, dated 17th February 1882, as to raising 500,000 *l.* on Debentures for Construction of Extension Railways.

THIS INDENTURE, made the 17th day of February 1882, between the SECRETARY of STATE in COUNCIL of the one part, and The OUDE and ROHILKUND RAILWAY COMPANY, LIMITED (hereinafter called "The Company"), of the other part.

WHEREAS negotiations are pending between the Secretary of State in Council and the company, for the construction by the company of an extension line of railway from Moradabad to Saharanpur, but the terms on which such line shall be constructed, and the respective interests therein of the parties hereto after its construction, have not been settled or defined:

And whereas the Secretary of State in Council has, in order to save time, consented to the company taking possession of the land required for the said railway, and to their commencing forthwith the construction thereon of the said railway; and in order to enable the company to raise sufficient capital for commencing the works, the Secretary of State in Council, on the 17th day of August 1881, authorised the company to raise the sum of 500,000 *l.* by the issue of debentures carrying interest at the rate of 3 *l.* 10 *s.* per cent. per annum, each debenture to be so issued to be in a form similar to the form specified in the Schedule hereto; and it was agreed that the company should pay all sums advanced on every debenture to be issued as aforesaid into the Bank of England to the credit of the Secretary of State in Council, and that the Secretary of State in Council should, out of the revenues of India, provide for the payment of the principal and interest payable in respect of the said debentures, when so issued, at the times for those purposes in the said debentures respectively mentioned:

And whereas it has been agreed that these presents shall be executed:

And whereas the covenants herein, on the part of the Secretary of State in Council, are hereby declared by the Secretary of State in Council to be entered into with the concurrence of a majority of votes at a meeting of the Council:

NOW THIS INDENTURE WITNESSETH, that in pursuance of the said agreement, and in consideration of the premises, the Secretary of State in Council doth hereby (so far as the covenants and agreements hereinafter contained are to be observed and performed by the Secretary of State in Council) covenant with the company and their successors, and the company do hereby, for themselves and their successors (so far as the covenants and agreements hereinafter contained are to be observed and performed by them) covenant with the Secretary of State in Council, in manner following (that is to say):

1. That the company will, at such times as may be agreed to between the parties hereto, create and issue debentures in accordance with the form contained in the Schedule to these presents, and upon the terms therein mentioned for securing principal sums amounting in the aggregate to 500,000 *l.*, with interest at the rate of 3 *l.* 10 *s.* per cent. per annum, or such other rate of interest as may be approved by the Secretary of State in Council, and the company will forthwith pay all sums advanced on every debenture to be issued as aforesaid (including sums received as premiums) into the Bank of England, to the credit of the account of the Secretary of State in Council.

2. That the Secretary of State in Council will, as often as, and when the half-yearly interest payable in respect of the debentures representing the said sum of 500,000 *l.*, or any portion thereof, issued by the company with the sanction of the Secretary of State in Council, shall become due, pay out of the revenues of India the aggregate amount of such interest to the company in London, and will, on the day for that purpose mentioned in each debenture representing the said sum of 500,000 *l.*, or any portion thereof, or in any memorandum

memorandum of extension endorsed on the debentures, and signed by the Under Secretary of State for India, and the managing director of the company for the time being, pay out of the revenues of India to the company in London the amount of the principal sums payable on such day on or in respect of the same several debentures; and the moneys so to be paid to the company shall be applied in payment of the interest and principal sums accordingly.

3. That the Secretary of State in Council shall not pay or guarantee or be required to pay or guarantee any interest on any sum which on the issue of debentures has been or shall be paid to the company as premiums, but all such sums shall be placed to an account of "Capital not bearing interest," and shall be applicable in the manner and for the purposes in and for which money raised by the issue of debentures as aforesaid are or shall be applicable.

4. That in the event of the failure of the said negotiations for the construction of the said extension railway, and of no terms being agreed to, the works which shall have been commenced on the said extension railway, together with all stores, machinery, and materials purchased for the same, shall, immediately on such failure as aforesaid, be handed over by the company, and shall belong to the Secretary of State in Council; and the Secretary of State in Council will take over the said debentures, and any balance of money which may have been raised by means of the said debentures, and shall not have been advanced to the company, or having been advanced to the company shall remain unexpended by them for the purposes of the said extension line of railway, shall be retained or received by the Secretary of State in Council, or shall be repaid by the company to the Secretary of State in Council.

5. That, until the said negotiations shall have been concluded or shall have failed, the sum raised by the said debentures shall be applied to the construction of the said extension line of railway, subject to such orders and limitations as the Secretary of State in Council shall from time to time give or impose; and clauses numbered 4, 5, 7, 8, 10, 11, and 26, respectively contained in an Indenture dated the 2nd of August 1867, between the Secretary of State in Council and the company, which clauses relate to the construction of a railway and works thereby agreed to be made, shall apply, so far as the same can be made to do so, to the construction of the said extension line of railway, it being intended that all the powers by the said clauses given to the Secretary of State in Council, and all the obligations thereby imposed on the company in regard to the construction of the railway and works by the said Indenture agreed to be made, shall be applicable in like manner in regard to the construction of the said extension line of railway. And a separate account of the expenditure of the said sum shall be kept in such form as the Secretary of State in Council shall require.

In witness whereof Colonel Henry Yule, C.B., and Sir Robert Montgomery, G.C.S.I., K.C.B., being two Members of the Council of India, have hereunto set their hands and seals, and the said Railway Company have hereunto caused their common seal to be affixed, the day and year first above written.

Signed, sealed, and delivered by the above-named Colonel Henry Yule and Sir Robert Montgomery, being two Members of the Council of India, in the presence of

Robt. Wickenden,
India Office.

H. YULE. L. S.

R. MONTGOMERY. L. S.

The Common Seal of the Oude and Rohilkund Railway Company, Limited, was hereunto affixed, in the presence of

C. C. Johnston, Major-General,
Managing Director.

Seal of the Oude and Rohilkund Railway Company, Limited.

THE SCHEDULE.

THE OUDE AND ROHILKUND RAILWAY COMPANY, LIMITED.

£. Per Cent. Debenture.

Guaranteed by the Secretary of State in Council.

No._____ £._____

The Oude and Rohilkund Railway Company, Limited,
29, Martin's-lane, Cannon-street, London.

The Oude and Rohilkund Railway Company, Limited, having received from the sum of pounds, the said Company hereby bind themselves and their successors to the said , his executors, administrators, or assigns, to pay to him or them, or the bearer for the time being of this Debenture, the principal sum of pounds, upon the one thousand eight hundred and , or on such later day as may be agreed on by memorandum to be endorsed hereon and signed by the Managing Director of the Company and by the Under Secretary of State for India on presentation of this Debenture, at the principal office in London of Messieurs Smith, Payne, and Smith's, Number 1, Lombard-street, London, or other the bank for the time being of the Company, and in the meanwhile and until the said one thousand eight hundred and , or such later day as aforesaid (from which date interest will cease to run) to pay interest half yearly on the said principal sum, at the rate of per centum per annum, on the and the in each year, as expressed in the coupons annexed to this Debenture, upon presentation at the said Messieurs Smith, Payne, and Smith's, or other the bank for the time being of the Company, of the said coupons respectively.

Given under our common seal this day of in the year of our Lord 18 .

Payment of principal and interest guaranteed by the Secretary of State in Council.

Sealed in the presence of

_____ _____

Managing Director.

WE, the undersigned, being two of the Directors of the Company specially authorised and appointed for this purpose, and I, the undersigned, Registered Officer of the Company, do hereby declare (each for himself) that the above Debenture is issued under the borrowing powers of the Company as registered on the day of one thousand eight hundred and eighty-one, and is not in excess of the amount there stated as remaining to be borrowed.

_____ Managing Director and Registered Officer. _____ } Directors.

CONTRACT between the SECRETARY of STATE for INDIA in Council and the SOUTHERN MAHRATTA RAILWAY COMPANY, dated 1st June 1882.

THIS INDENTURE, made the 1st day of June 1882, between the SECRETARY of STATE in COUNCIL of INDIA of the one part, and The SOUTHERN MAHRATTA RAILWAY COMPANY, LIMITED, of the other part: Witnesseth, and it is hereby agreed and declared as follows:—

Interpretation of Terms.

1. In this Contract.

The expression "The Secretary of State," means the Secretary of State in Council of India:

The expression "The Company," means the Southern Mahratta Railway Company, Limited:

The expression "The projected Railway," means and includes the four several lines of railway mentioned in the 3rd Section of this Contract, and any such of the lines of railway particularised in the 48th Section of this Contract as the Secretary of State may hereafter under the powers conferred on him by that Section require the Company to construct.

Duration of Contract.

2. This Contract shall continue in force until the 30th day of June 1932, subject to the provisions hereinafter contained for determining the same.

Construction of Lines.

3. The Company shall with due diligence and expedition and in accordance in all respects with the directions of the Secretary of State, construct on routes to be selected and determined by the Secretary of State, and on land to be provided by him as hereinafter stipulated the four several lines of railway hereinafter mentioned (that is to say):—

(1.) A line from the terminus of the West of India Portuguese Guaranteed Railway on the British Frontier *viâ* Gadak to Bellary.
(2.) A line from Gadak to Sholapur.
(3.) A branch to Bankapur.
(4.) A branch to Belgaum;

together with all such stations, station yards, offices, warehouses for employés, machinery, conveniences and works, as in the opinion of the Secretary of State shall be necessary or proper for the purposes of the said lines of railway respectively, either as regards the due working of the same or as regards the permanence of the same and the protection of the same from the destruction or injury by inundation, tempest, or otherwise. The railways to be constructed by the Company under this section shall be of the mètre gauge, and shall in general structural character conform in all respects with the now established standard of railways in India on that gauge. Designs and estimates in relation to the construction or execution of all or any of the lines of railway stations, and other works to be constructed and executed under this section, shall, if required, be furnished by the Company to the Secretary of State, and be subjected to his approval, or the Secretary of State may furnish designs to the Company, and the Company shall in that case be bound to follow them. It is intended that the lines of railway mentioned in this section shall be called "The Southern Mahratta Railway."

Notification to Company of Route of Railways.

4. The Secretary of State shall from time to time notify to the Company the route of the projected railway, so far as such route shall from time to time have been determined by him.

Situation of Stations, &c.

5. The Secretary of State shall have power to determine the situation and dimensions of all stations, station yards, offices, warehouses, houses for employés, conveniences and works to be constructed in connection with or as part of the projected railway.

As to certain existing Surveys, &c.

6. The Secretary of State having caused various surveys and plans to be made, and works to be executed, with the view of facilitating and expediting the construction of the projected railway, or some part or parts thereof, will allow the Company to have the benefit of the same surveys, plans, and works; but the Company shall discharge all the now existing obligations and liabilities of the Secretary of State under contracts for the execution of works relating to the construction of the projected railway or any part or parts thereof.

Land, &c.

7. The Secretary of State shall from time to time provide the land which he shall consider requisite for the construction of the projected railway, and for the stations, station yards, offices, warehouses, houses for employés, conveniences and works necessary or proper for the purposes of the same railway, and shall allow the Company to have possession of the land so provided. The Company shall from time to time, with the sanction of the Secretary of State, as soon as practicable, go out of possession of and relinquish to the Secretary of State such of the land of which the Company shall have been allowed possession under this section, as shall for the time being have become unnecessary to be retained possession of by the Company for any of the purposes of this contract. And as often as in the opinion of the Secretary of State it shall appear to be unnecessary that the Company shall retain possession of any particular land of which the Company shall have been allowed possession under this section or of which possession shall have been allowed or delivered to the Company under any other provision in this contract, the Secretary of State shall certify such his opinion to the Company. Upon receipt of such certificate, or so soon thereafter as may be, the Company shall state in writing whether it acquiesces in the opinion of the Secretary of State or whether it objects thereto, and if so, the grounds of its objection. If no objection is stated by the Company, or if the grounds of its objection (if any), are not in the opinion of the Secretary of State sufficient, the Company shall upon the requisition of the Secretary of State go out of possession of the land in question, and the Secretary of State shall be exclusively entitled to possession thereof.

Equipment with Rolling Stock, &c.

8. The Company shall, with all due speed, equip the projected railway, and every part thereof, with rolling stock, plant, and machinery, to the satisfaction of the Secretary of State, and if the Secretary of State shall be of opinion that the Company shall at any time have failed duly to perform its obligations under this section, he may himself from time to time equip or complete the equipment of the projected railway, or any part thereof, with the particulars, or any of the particulars, specified in this section.

Opening of the Lines for Traffic.

9. The Company shall from time to time when and as often as an inspecting officer acting on behalf of the Secretary of State, shall have certified that any part of the projected railway is fit for the conveyance of passengers and goods, and properly equipped with rolling stock, plant, and machinery, forthwith open the same part for public traffic.

Telegraphs.

10. The Secretary of State may from time to time construct such electric telegraphs and telegraphic appliances, as he shall think fit, along or upon the projected railway or any part or parts thereof, or any land or works belonging thereto, and may maintain and work the same electric telegraphs and telegraphic appliances as he shall think fit, and it shall be lawful for him, for such purposes or any of them (in addition to the general powers which it is hereby declared that he shall at all times have of entering by agent or otherwise upon all or any land of which he shall pursuant to this contract have allowed the company to have possession), to enter at all times, by his agents, workmen, or others, on any part or parts of the projected railway, or the lands or works belonging thereto, and to erect, maintain, make, do and execute thereon all such buildings, machinery, works, acts and things as the Secretary of State shall consider necessary or proper in relation to the construction, maintenance, use, and working of the said electric telegraphs and telegraphic appliances. The Secretary of State shall be exclusively entitled to the possession of all buildings, machinery, works, and appliances erected or brought by him under the powers conferred on him by this section on the projected railway, or on any land or works belonging thereto. The company shall at all times furnish the Secretary of State with such free passes over the projected railway or any parts thereof as he shall require for persons employed by him, in or about, or in connection with the construction, maintenance, working, or inspection of the electric telegraphs and telegraphic appliances mentioned in this section, or any buildings or works appertaining thereto.

11. The Secretary of State shall from time to time allow the company to have the exclusive use of any such electric telegraphs and telegraphic appliances as he shall from time to time consider proper to be used by the company for the purpose of safely or efficiently working the projected railway, or any part or parts thereof. The Secretary of State shall maintain and keep in good repair, and in good working condition, the electric telegraphs and telegraphic appliances of which he shall for the time being allow the company the use under this section.

12. The company, if so directed by the Secretary of State, shall, in working any electric telegraphs or telegraphic appliances to the use of which it shall for the time being be entitled under the section last hereinbefore contained, observe the rules for the time being in force in the case of State railway telegraphs, or such of the said rules as the Secretary of State may from time to time prescribe to be observed by the company.

As to the Maintenance and Management of the Projected Railway.

13. The company shall keep the projected railway, and the stations and other works belonging thereto, in good repair, in good working condition, and fully supplied with rolling stock, plant, machinery, and stores to the satisfaction of the Secretary of State, and whenever the Secretary of State shall be of opinion that the company is in any default as to any of the matters beforementioned in this section, he may in writing notify the fact to the company, specifying in such writing the general nature of the defect, and unless the defect be remedied by the company within one calendar month after the notification thereof by him to the company, may himself remedy it.

14. The company shall keep the rolling stock, machinery and plant for the time being belonging to the projected railway, and to every part thereof, in good repair and in good working condition to the satisfaction of the Secretary of State.

15. The company shall maintain a sufficient staff, to the satisfaction of the Secretary of State, for the purposes of so much of the projected railway as shall for the time being have been opened for public traffic.

16. The Secretary of State may from time to time, by notice in writing, require the company to carry out any alteration, improvement, or addition that

may in his opinion be necessary for the safety of passengers, or of the public, or for the effectual working of the railway to be made in or to any part of the projected railway, or any of the stations or works belonging thereto. Such notice shall specify the alteration, improvement, or addition required, and shall also in general terms describe the works to be executed for the purpose of effecting the same. On receiving any such notice the company shall with all reasonable speed execute the works described therein; the Secretary of State allowing the company possession of any land that may be requisite for the purposes of such works. If in any case the company shall neglect to proceed with the works prescribed in any such notice as specified in this section, or fail to complete the same to the satisfaction of the Secretary of State, the Secretary of State may execute the works in respect of which the company is in default.

17. The Secretary of State may from time to time prohibit the company from using any engine, carriage, waggon, vehicle, machine, or appliance of any description whatsoever of which the use shall be declared by a duly authorised inspecting officer, acting on behalf of the Secretary of State, to be attended with danger to passengers or to the public, and the Secretary of State may, by taking possession of such engine, carriage, waggon, vehicle, machine, or appliance, or by such other means as he shall think fit to employ, prevent the company from using the same.

Police.

18. The Secretary of State shall provide and maintain for the purposes of so much of the projected railway as shall for the time being have been opened for public traffic, such a force of police as the company with the approval of the Secretary of State shall from time to time require, with the qualification that in case of difference between the Secretary of State and the company as to the force of police required for the preservation of law and order, the determination of the question shall rest with the Secretary of State. The cost of providing and maintaining the force of police provided and maintained under this section shall as to three-tenths be borne by the Secretary of State as part of the general expenditure of the Government of India, and as to the remaining seven-tenths be treated as part of the working expenses of the projected railway, or of the part or parts thereof for the time being opened for public traffic.

As to the Use and Working of the Projected Railway and the Conveyance of Traffic.

19. The company shall from and after the opening for public traffic of any part of the projected railway cause to be run so many trains at such times, at such rates of speed, between such places, and with such conveniences and accommodations as the Secretary of State shall from time to time require.

20. The company shall charge such rates and fares for the carriage of goods and passengers as may from time to time be fixed by the company, with the approval of the Secretary of State. Provided that the Secretary of State may require the charges for the conveyance of salt, and coal, and food grains to be reduced to any rate not below one-fifth of a pie per maund per mile, for full waggon loads, and may also require passengers to be conveyed at any rate not below two pies per mile in closed carriages provided with seats.

21. The Secretary of State may from time to time, if he shall think any alteration or improvement in the working of the projected railway, or of any part thereof, necessary for the safety of passengers, or of the public, or for the effectual working of the railway, require the company to effect such alteration or improvement.

22. All services which the Secretary of State may require the company to perform for the Post Office, the Military Department, the Police Department, or any other Department of State, or for high Government officials (including in such services the conveyance of mails as defined by the Post Office Act or Acts for the time being in force in India, the conveyance of Post Office servants when

when on duty, the conveyance of troops and sailors, military and naval establishments, horses, and other animals used for military purposes, guns, military stores and equipments, the conveyance of police, prisoners, and paupers, the conveyance of telegraph stores, instruments, officers and workmen, and of any public stores whatever), shall be performed by the company on the same general conditions as may for the time being be in force on State railways of the mètre gauge, and at such rates as may be approved by the Secretary of State. Provided that nothing in this section contained shall be construed to override the provisions contained in section 10 respecting the grant of free passes.

23. The company shall convey gold and silver bullion, and coin, and copper coin belonging to the Secretary of State, and the persons in charge thereof, at special rates, to be from time to time approved by the Secretary of State.

24. The company shall from time to time, if so required, give precedence to the demands of the Secretary of State, whether for freight or passenger accommodation, over all ordinary traffic.

25. All stores intended to be used for any purposes of the projected railway or any part thereof (including stores intended to be used in or about the construction of any part of the projected railway or of any works or adjuncts of or pertaining to the same) shall be conveyed by the company over the projected railway, so far as opened for public traffic, at rates to be approved by the Secretary of State, such rates to be not less than the actual cost of conveyance.

Payments by Company to Government carrying Interest at fixed Rate.

26. The company shall, within such period and by such instalments as the Secretary of State shall prescribe, pay into the Bank of England, to the credit of the Secretary of State, an aggregate sum of 3,000,000 *l.* Provided that the company may discharge itself in part of its obligations to pay the said aggregate sum of 3,000,000 *l.* by paying, with the approbation of the Secretary of State, any sum or sums of money into any Government Treasury in India approved for the purpose by the Secretary of State, and any sum or sums so paid shall be accepted by the Secretary of State as the equivalent of sterling money at the rate of 12 rupees to the pound sterling; the company shall be at liberty from time to time when and as there shall, for the time being, be any amount carrying interest under the provisions hereinafter contained in favour of the Secretary of State, to pay out of its own proper moneys into the Bank of England to the credit of the Secretary of State the equivalent in sterling money (one pound sterling being for this purpose to be treated as the equivalent of 12 rupees) of the whole or any part of such amount. All payments made by the company under this section shall be made out of the proper moneys of the company not paid or payable by it under any section of this contract other than the present section, into the Bank of England, to the credit of the Secretary of State, or into any Government Treasury in India. All moneys paid by the company under this section shall belong absolutely to the Secretary of State, who shall not be deemed a debtor to the company in respect thereof.

Payment of Interest to Company.

27. The Secretary of State will, during the continuance of this contract, out of the revenues of India, pay to the company in India, half-yearly, on the 1st day of June and 1st day of December, the equivalent in rupees at the market rate of the day for bills drawn on London payable on demand of interest at the rate of 3½ per cent. per annum on the amount which shall for the time being have been paid by the company, pursuant to this contract, in respect of the aforesaid sum of 3,000,000 *l.*, and also half-yearly, on the 1st day of June and 1st day of December up to and inclusive of the 1st day of June 1887 (if this contract shall so long continue), the equivalent in rupees at the market rate previously mentioned in this section of further interest at the rate of ½ per cent. per annum on the amount previously mentioned in this section. The Secretary of State shall also, during the continuance of this contract, out of the revenues of India, pay to the company in India half-yearly, on the 1st day of June and 1st day of December, the equivalent in rupees at the market rate previously

mentioned in this section, of interest at the rate of three per cent. per annum on any amount which, for the time being shall, under the powers conferred on the company by the last preceding section, have been paid by it into the Bank of England to the credit of the Secretary of State in excess of the sum of 3,000,000 *l.*

Payments to Government under Special Agreement.

28. The company may, from time to time, with the approbation of the Secretary of State, out of its own proper moneys not paid or payable by the company into the Bank of England to the credit of the Secretary of State, or into any Government Treasury in India under any section of this contract other than the present section, pay into the Bank of England to the credit of the Secretary of State any sum or sums of money. All moneys which the company shall pay to the credit of the Secretary of State under this section shall belong absolutely to the Secretary of State, and he shall not be deemed a debtor to the company in respect thereof; but he shall, during the continuance of this contract, out of the revenues of India, pay to the company in India an equivalent for interest on all moneys paid by the company under this section. The rate of the interest for which the equivalent is to be paid under this section and the times at which such equivalent is to be paid, shall be agreed between the Secretary of State and the company, and if not otherwise specially agreed the rate shall not in any case exceed 3½ per cent. per annum.

Supply of Money by Government.

29. All moneys which the company shall, with the sanction of the Secretary of State, require, for the purposes of the projected railway, whether as regards construction or working, shall be supplied to the company by the Secretary of State according to such arrangements as shall from time to time be made between the Secretary of State and the company. Provided that the Secretary of State shall, as and when from time to time the balance standing to the debit of the capital account hereinafter mentioned is (inclusive of any balance for the time being standing to the debit of the stores account also hereinafter mentioned) not less in amount than the aggregate amount of the moneys which shall, for the time being, have been paid by the company under the provisions hereinbefore contained, into the Bank of England to the credit of the Secretary of State converted into rupees at the rate of 12 rupees to the pound sterling, and of the moneys (if any) which shall, pursuant to the 26th section of this contract for the time being have been paid by the company into any Government Treasury or Government Treasuries in India in part discharge of the aforesaid sum of 3,000,000 *l.*, have an absolute right of declining to supply money to the company to defray expenditure chargeable to capital account.

Secretary of State's Right to Interest.

30. On every occasion on which, on the making up of the capital account hereinafter mentioned, the balance standing to the debit of that account (inclusive of any balance for the time being standing to the debit of the stores account also hereinafter mentioned), exceeds the aggregate amount of the moneys which shall, for the time being, have been paid by the company, under the provisions hereinbefore contained, into the Bank of England to the credit of the Secretary of State, converted into rupees at the rate of 12 rupees to the pound sterling, and of the moneys (if any) which shall, pursuant to the 26th section of this contract, for the time being, have been paid by the company into any Government Treasury or Government Treasuries in India in part discharge of the aforesaid sum of 3,000,000 *l.*, the excess shall carry interest in favour of the Secretary of State at the rate of 4½ per cent. per annum, to be computed from the time of the ascertainment of the excess until the capital account shall be then next made up.

Receipts of Company.

31. All moneys whatsoever which shall, during the continuance of this contract, be received by or on behalf of the company either in England or in India,

and

and whether, on its own account, or as agent of the Secretary of State or otherwise (excepting the moneys which shall be paid to the company by the Secretary of State, pursuant to this contract, excepting also the moneys which shall be paid by holders of shares in the capital of the company in respect of their liability to contribute to the assets of the company in regard to such shares, and excepting also the moneys, if any, which shall be borrowed by the company with the sanction of the Secretary of State) shall at such times and in such manner as the Secretary of State may from time to time direct, be paid without deduction as to moneys received in England by or on behalf of the company into the Bank of England to the credit of the Secretary of State, and as to moneys received in India by or on behalf of the company into a Government Treasury to be from time to time approved for the purpose by the Secretary of State.

32. Of the moneys mentioned in the last preceding section, and not the subject of any exception therein contained, such as shall be received by or on behalf of the company prior to the opening for public traffic of any part of the projected railway, shall be treated as received on account of capital, such also as shall arise from the sale of any property on any occasion other than the replacement of the property sold by other property of the same or a similar character, shall be treated as received on account of capital, the residue shall be treated as received on account of revenue.

Accounts.

33. The company shall keep the following accounts:

(1.) A capital account.

(2.) A revenue account.

(3.) A stores account.

And all such other accounts relating to the projected railway, and also all such accounts as between the company and the Secretary of State as the Secretary of State shall from time to time require, and if the Secretary of State shall so require, separate accounts shall be kept by the company in respect of different sections of the projected railway. The said accounts shall be kept in such form, and under such heads or divisions, and with such details as the Secretary of State shall from time to time prescribe. The said accounts, so far as the same are kept in India, shall be kept in rupees of the Government of India, and so far as they are kept in England shall be kept in sterling money. Such of the said accounts as are kept in England shall from time to time be transmitted by the Secretary of State to the Government in India, and incorporated in the accounts of the company in India, each account transmitted being for the purpose of such incorporation converted into rupees at the average rate of exchange obtained by the Secretary of State for bills payable on demand drawn on India during the half year immediately preceding that in which the incorporation is to be effected, or if the Secretary of State shall not have drawn bills on India for so much as three months out of the half year immediately preceding, then at the average rate obtained during the half year immediately preceding that in which the incorporation is to be effected for the best commercial bills payable on demand, drawn in London on India, such average rate to be decided by the Comptroller General at Calcutta.

34. In the capital account the following particulars shall be entered to debit and credit respectively, that is to say, To debit:—

(*a.*) All expenditure by the company in relation to this contract which ought, as between the Secretary of State and the company, to be treated as on account of capital, including such sum as the Secretary of State may allow to be charged in respect of the expenses of and incident to the formation, incorporation, and management of the company.

(*b.*) The cost of the Secretary of State, as certified by him, of all land of which he shall allow the company to have possession for any purposes of this contract.

(*c.*) The cost to the Secretary of State, as certified by him, of the said surveys and plans mentioned in the sixth section of this contract, and of

any such designs and estimates as the Secretary of State may furnish to the company under Section 3 of this contract, including in the cost of the said surveys and plans all costs incurred by the Secretary of State with a view to procuring the same to be made. Also the fair present value, as estimated by the Secretary of State, of the works mentioned in the sixth section of this contract.

(*d.*) The charges of the Government Telegraph Department for rent, maintenance, and inspection of such electric telegraphs and telegraphic appliances (if any) as the Secretary of State may allow the company to use in relation to the construction of the projected railway, or any part thereof.

(*e.*) So much as ought, pursuant to this contract, from time to time to be charged to capital in respect of the half-yearly amount to be charged by the Secretary of State under his power in that behalf hereinafter mentioned, for his supervision and control of the company.

(*f.*) Any amount which the Secretary of State may from time to time require to be entered in the capital account in respect of the cost to him of such of his legal expenses incurred in relation to this contract, or to matters arising out of this contract, as he shall determine to be chargeable to capital.

(*g.*) The cost to the Secretary of State, as certified by him, of all works, acts, and things, which shall be executed or done by him under any of the provisions of this contract, provided that the cost thereof, if executed or done by the company, would have been expenditure on account of capital.

And to credit—

(*h.*) The value (to be determined by the Secretary of State) of any land of which possession shall have been allowed by the Secretary of State to the company for the purposes of this contract, and which shall subsequently be relinquished to the Secretary of State under Section 7 hereinbefore contained.

(*i.*) All such of the moneys to be received by or on behalf of the Company as are herein provided to be treated as received on account of capital.

35. The capital account shall from time to time, as the Secretary of State shall require, be made up, and the balance thereon ascertained and stated therein. The Secretary of State may from time to time audit the capital account, and correct errors therein, as he shall see fit.

36. The revenue account shall contain an account of all such of the moneys to be received by or on behalf of the company, as are herein provided, to be treated as received on account of revenue, and of all expenditure which ought conformably with this contract to be treated as on account of revenue. The revenue account shall be made up half yearly to the 30th of June and the 31st of December in each year, or to such other days as the Secretary of State may from time to time prescribe, and shall be regularly submitted by the company to the Secretary of State, who may audit the same, either concurrently with or after expenditure, or in both ways, as he may think fit, and may in case of error being discovered therein, correct the same within three calendar months after the account containing such error shall have been submitted to him. Every revenue account shall be considered as settled at the expiration of three calendar months after the same shall have been submitted to the Secretary of State, but nevertheless any error wh ch may subsequently be discovered therein shall be corrected in the then next revenue account, or in any subsequent revenue account or accounts, as the Secretary of State may determine.

37. As soon as possible after the 30th of June and the 31st of December in each year, or the respective half-yearly days which the Secretary of State may from time to time prescribe for the making up of the revenue account, the company shall make up and deliver to the Secretary of State an account of all stores in hand on the half-yearly day immediately preceding the making up of the account now being directed, and on all stores which the company shall, for the purposes of fulfilling this contract, have used since as regards the first occasion

occasion of making up an account of stores, the date of this contract and since as regards each other occasion of making up an account of stores, the date to which the stores account was last previously made up showing the purposes for which such stores have been used. As often as any of the stores in hand shall be used by the company for the purposes of fulfilling this contract, the value of the stores so used as entered in the books of the company shall be entered in the capital account, or in the revenue account, as may be proper. The store account shall, besides being made up periodically, as above mentioned, be made up and balanced from time to time upon the requisition of the Secretary of State.

38. The stores in hand shall be valued at such time or times as the Secretary of State shall direct, and in such manner as shall from time to time be agreed upon by the Secretary of State and the company, and the value of the stores in hand as entered in the books of the company, shall be corrected in accordance with such valuation, and all necessary adjustments shall be thereupon made by making entries to debit or credit in the revenue account, as may be proper.

Appropriation of Expenditure.

39 In any case where any question may or might arise as to whether any expenditure incurred in relation to the projected railway or otherwise is to be treated in the whole or in part as a charge on capital account, or how the same is to be dealt with, the question shall be determined on the general principle that capital is to bear the cost of new works of additional rolling stock, plant, and machinery, and of improvements of and additions to old works, rolling stock, plant and machinery, including the cost of any temporary new work the construction of which is requisite for the construction of a work properly chargeable to capital, and that the cost of repairs, restorations, renewals, replacements and substitutions, is to be borne by revenue, except in cases where repairs, restorations, renewals, replacements or substitutions are effected prior to the opening for public traffic of the portion of the projected railway upon or in respect of which the same are effected, in which case the cost thereof is to be chargeable to capital. Provided always, that any item of expenditure incurred in respect to any part which shall have been opened for public traffic of the projected railway (although under the terms in this section before contained in strictness chargeable to capital) shall, from time to time, if not exceeding the sum of 1,000 rupees, and may from time to time, at the absolute discretion of the Secretary of State, if exceeding 1,000 rnpees, but not exceeding 2,000 rupees (but so that the aggregate expenditure charged to revenue on account of such last-mentioned items shall not exceed 15,000 rupees in any half year) be charged to revenue. Provided also, that after the opening throughout for public traffic of all the four several lines of railway specified in the 3rd section of this contract no portion of the salaries or allowances of any of the company's permanent supervising staff, although for the time being employed partly or wholly in directing or superintending work, the expenditure on which is properly chargeable to capital, shall, except with the express sanction of the Secretary of State, be treated as chargeable to capital, and also that after the opening throughout for public traffic of the whole of the four several lines of railway last aforesaid, no expenses connected with the engagement from England or with the passage from or to England of any person in the company's service, shall be treated as chargeable to capital unless such person shall be specially engaged to carry out work the cost of which is expenditure so chargeable, and shall be actually employed upon such work. Nevertheless, the cost of construction of any of the lines mentioned in the 48th section of this contract shall be borne by capital to the same extent and in the same manner as if the proviso last hereinbefore contained had not been inserted in this contract.

40. If any difference shall arise between the Secretary of State and the company as to whether expenditure shall in any particular case be charged to capital or charged to revenue the matter in difference shall, unless according to the terms of the section last hereinbefore contained, to be solely decided or determined by the Secretary of State, be referred to the decision of the joint auditor, if the Secretary of State and the company shall have appointed such an officer, but in case a joint auditor shall not have been appointed then the matter in difference shall be referred for final decision to the company's auditor or some

other person to be named by the company and a Government examiner of railway accounts, or some other person to be named by the Secretary of State, or to an umpire to be named by the referees acting on behalf of the company and the Secretary of State respectively in case of difference between such referees. The costs of any reference under this section shall, unless the Secretary of State shall otherwise direct, be treated as working expenses.

Working Expenses.

41. All costs and expenses incurred by the company, with the sanction of the Secretary of State, in or about or in connection with the maintenance, management and working of the projected railway, so as the expenditure be not incurred prior to the opening of some part thereof for public traffic, shall be deemed working expenses. All working expenses shall be chargeable to revenue.

In the working expenses there shall be included :—

(1.) Such sum or sums of money as shall from time to time be agreed upon between the Secretary of State and the company as proper to be allowed in respect of the rent of the company's office in London, office expenses, directors' fees and salaries of clerks and servants, except so much (if any) of the sum or sums mentioned in this sub-section as the Secretary of State shall especially determine to be chargeable to capital.

(2.) The costs of and incidental to the preparation of the returns and statistics mentioned in the 58th section of this contract.

(3.) So much of the cost of providing and maintaining a police force agreeably to this contract as is not under the terms of this contract to be borne by the Secretary of State as part of the general expenditure of the Government of India.

(4.) All expenditure incurred by the company with the sanction of the Secretary of State or by the Secretary of State in keeping so much of the projected railway as shall have been opened for public traffic and the stations and other works belonging thereto in good repair and in good working condition, and supplied with rolling stock, machinery and plant, except such part, if any, of the expenditure mentioned in this sub-section as shall be properly treated as chargeable to capital.

(5.) All expenditure incurred by the company with the sanction of the Secretary of State or by the Secretary of State in keeping the rolling stock, machinery, and plant belonging to so much of the projected railway as shall have been opened for public traffic in good repair and in good working condition.

(6.) All expenditure incurred by the company with the sanction of the Secretary of State or by the Secretary of State in the execution of any works of which the cost shall be chargeable to revenue.

(7.) So much as ought, pursuant to this contract, from time to time to be charged to revenue in respect of the half-yearly amounts to be charged by the Secretary of State under his power in that behalf hereinafter mentioned for his supervision and control of the company.

(8.) The charges of the Government Telegraph Department for rent, maintenance, and inspection of the telegraphs and telegraphic appliances from time to time provided under the 11th section of this contract for the use of the company.

(9.) All reasonable legal expenses, whether incurred by the Secretary of State or by the company, and all such other expenses as the Secretary of State shall require or allow to be treated as working expenses.

As to the Application of Receipts.

42. Of the moneys to be received by or on behalf of the company in each half-year during the continuance of this contract, such as are pursuant to this contract to be treated as received on account of revenue shall be applied in the first

first place in or towards the discharge of expenditure attributable to revenue as follows, that is to say,—

(1.) Primarily, in or towards the discharge of expenditure attributable to the half year to which the receipts relate; and

(2.) Secondarily, in or towards the discharge of expenditure attributable to any previous half-year or half-years, and not already discharged out of receipts on account of revenue; and

(3.) In the next place, in payment to the Secretary of State, so far as the same will extend, of the interest accrued in his favour under the provisions hereinbefore contained, and not previously paid to him; and

(4.) In the next place, in payment of such sum as shall from time to time be payable by the company to or for the purposes of any provident institution which shall be established by the company in connection with the projected railway; and

(5.) The surplus, if any, shall be dealt with as follows (that is to say), up to the 30th day of June 1887, shall belong absolutely to the Secretary of State, and as from that day shall be divided between the Secretary of State and the company, in the proportion of three-fourths to the former, and one-fourth to the latter, and the one-fourth belonging to the company shall be paid over to the company in India:

Provided that if one equal fourth part of the surplus attributable to any half-year prior to or ending with the 30th day of June 1887 shall exceed one-eighth part of the aggregate equivalent of interest paid under the provisions hereinbefore contained by the Secretary of State to the company in the same half-year, in respect of so much of the aforesaid sum of 3,000,000 *l.* as shall then have been paid by the company pursuant to this contract, then and so often as the same shall happen, the company shall be entitled to the amount of the excess, and the Secretary of State shall pay the same amount to the company in India.

As to Running Powers and other Facilities and Accommodation for other Railway Companies and State Railways.

43. The Secretary of State may from time to time require the company to allow the use of the projected railway or any part or parts thereof, for the passage of engines and trains belonging to other railway companies or to State railways, upon the payment of reasonable tolls, and under reasonable conditions and restrictions.

44. The Secretary of State may from time to time require the company to supply other railway companies or State railways, upon reasonable terms and conditions, with any of the rolling stock appropriated or belonging to the projected railway or any part or parts thereof, provided such rolling stock shall not for the time being be required for the purposes of any part of the projected railway.

45. The Secretary of State may from time to time require the company to execute work in its workshops in respect of rolling stock and machinery belonging to State railways at such reasonable prices and upon such terms as shall be agreed upon between the Secretary of State and the company, but so, nevertheless, as not to impede or unduly interfere with the ordinary operations of the company as carried on therein.

46. The Secretary of State may from time to time require the company to make reasonable arrangements for the interchange of traffic and rolling stock with railways belonging to other companies or to the State.

47. The Secretary of State may from time to time require the company to allow the use of any of the stations belonging to the projected railway for the accommodation of the traffic of any other railway company or State railway, upon the payment of reasonable tolls, and under reasonable conditions and restrictions, and may also require the company to make such alterations and additions as may in the opinion of the Secretary of State be necessary or con-

venient for the purposes of such accommodation, upon such terms as may be agreed upon between the Secretary of State and the company.

As to the Construction of Extensions.

48. The Secretary of State may at any time or times during the continuance of this contract, unless and until he shall under the provisions hereinafter contained have given notice to the company of the determination by him of this contract, require the company to construct all or any of the following lines of railway, that is to say:—

(1.) An extension from Belgaum to join the Great Indian Peninsula Railway at or east of Poonah.

(2.) A branch to Karwar.

(3.) A branch to Hurrihar.

And as from the time when and as often as the Secretary of State shall, under this section, have required the company to construct any of the lines of railway last aforesaid, the company shall, in addition to its other obligations and liabilities, be under all such obligations and liabilities as it would have been subject to under this contract if the line or lines of railway under this section required to be constructed had by the 3rd section of this contract been provided to be constructed in addition to the lines of railway in such section specified. And all the provisions of the 3rd section of this contract shall apply *mutatis mutandis* in respect of any line or lines of railway which shall under this section be required to be constructed: Provided that if the Secretary of State shall require the company to construct a branch to Karwar, the company shall have the benefit of an existing survey made on behalf of the Secretary of State of a line of railway from Karwar to Hubli: Provided also, that if and as often as the Secretary of State shall at the time when he shall require the company to construct any extension or branch mentioned in this section, have caused any surveys or plans to be made (other than the surveys before mentioned in this section) or works to be executed with the view of facilitating or expediting the construction of the same extension or branch, he shall allow the company to have the benefit of the same surveys, plans, and works respectively; and upon the company becoming entitled under this section to the benefit of the existing survey in this section mentioned, or of any other surveys or any plans or works, the cost to the Secretary of State (as certified by him) of the survey or surveys, plans, or works, to the benefit whereof the company shall from time to time become entitled under the provisions of this section (including as regards all surveys and plans the cost to the Secretary of State of procuring the same to be made) shall be entered to debit in the Capital Account.

Construction, Acquisition, and Working of Auxiliary or Branch Railways.

49. The Secretary of State may require the company, on such terms and conditions as shall be agreed upon between himself and the company, in each case to construct or acquire, either absolutely or on lease for a term of years or otherwise, any railway on the mètre gauge convenient to be worked as auxiliary to or in connection with the projected railway or any part of it, and to work on such terms and conditions as may in each case be agreed upon between the Secretary of State and the company any railway so constructed or acquired as mentioned in this section or any other railway on the mètre gauge convenient so to be worked as auxiliary to or in connection with the projected railway or any part of it.

The Company to comply with the Requirements of the Secretary of State.

50. The company shall, with all reasonable speed, comply with all such requirements as the Secretary of State shall from time to time make, in accordance with this contract.

As to the Supervision and Control of the Secretary of State and the Appointment of a Government Director.

51. In all matters not herein specially provided for relating to the fulfilment and performance by the company of this contract, so far as to be fulfilled or performed by the company, the company shall be subject to the supervision and control of the Secretary of State. The Secretary of State shall be entitled to make a charge half-yearly for his supervision and control of the company. The said half-yearly charge shall be a mileage rate of 40 rupees for every mile of the projected railway, so far as the time being either constructed or under construction. The half-yearly charge to be made by the Secretary of State under this section shall be charged to capital so far as made prior to the opening for public traffic of any part of the projected railway, and as from the time when any part of the projected railway shall have been opened for public traffic until the whole thereof shall have been so opened, the half-yearly charge under this section shall from time to time be apportioned between revenue and capital in such manner as that so much of the half-yearly charge as bears the same proportion to the entirety thereof as the length of railway opened for public traffic at the time when the half-yearly charge is made, bears to the whole length of railway on which the same charge is to be calculated, shall be charged to revenue, and that the residue thereof shall be charged to capital. As from the time when the whole of the projected railway shall have been opened for public traffic, the half-yearly charge to be made by the Secretary of State under this section shall be charged to revenue exclusively.

52. For the purpose of inspecting the railways and works to be executed by the company under this contract, either whilst under construction, or subsequently, and of inspecting the projected railway, and the stations and other works, rolling stock, plant, machinery, and stores to belong thereto, and the electric telegraphs and telegraphic appliances for the time being provided under this contract for the use of the company, and for the purpose of auditing the accounts of the company, or otherwise exercising such supervision and control as are intended to be reserved to the Secretary of State by this contract, the Secretary of State may from time to time appoint such person or persons as he may think proper, with such powers as he may consider necessary or expedient, and the company shall afford every person so appointed all reasonable facilities for the purpose of enabling him to perform the duties entrusted to him by the Secretary of State.

53. The company shall record and keep in proper books full and particular accounts of all its transactions and proceedings, including full and true minutes of all its meetings, meetings of directors, communications with India, and correspondence, so as at all times to exhibit fully and truly the state of its affairs, and the Secretary of State, or any person or persons appointed by him in that behalf, shall at all reasonable times have free access to all the books, accounts, papers, and documents of the company, with power to call for and make copies of, or extracts from the same.

54. The Secretary of State may from time to time appoint any one person to be a director of the company. The Government director shall be *ex officio* a member of all committees appointed by the board of directors of the company, or by the company in relation to the projected railway, or any matter connected therewith, and he may moreover exercise at his discretion an absolute veto in all proceedings whatever at the board of directors. The Government director shall not be removable except by the Secretary of State. The Secretary of State may from time to time, as often as occasion shall require, appoint a person to represent the Government director at any meeting of the board of directors, or at any committee meeting at which the Government director may not be present, and the person so appointed shall have all such rights, and may exercise all such powers as the Government director, if present, would have had, or might have exercised.

Miscellaneous Provisions.

55. The company shall not during the continuance of this contract, without the sanction of the Secretary of State in writing first obtained, engage in or carry on any business other than the business provided by this contract to be carried on by the company, or borrow any money or increase or reduce its capital.

56. The company shall not during the continuance of this contract, alter, vary, or add to its articles of association without the sanction of the Secretary of State.

57. The company shall not during the continuance of this contract, without the sanction of the Secretary of State in writing first obtained, acquire any property in India. If the company shall, in contravention of this section, acquire any property, such property shall not be disposed of by the company without the sanction in writing of the Secretary of State, and the Secretary of State may at any time during the continuance of this contract, or within one calendar month after the determination thereof, purchase such property from the company at the price actually paid by the company for the same, and if the purchase money shall be paid to the company during the continuance of this contract, the expenditure shall be carried to capital account.

58. The company shall from time to time make such returns and furnish such statistics in such form, and under such heads and divisions, and with such details as the Secretary of State may from time to time require. The cost of preparing such returns and statistics, and incidental thereto, shall be treated as part of the working expenses of the projected railway.

59. The Secretary of State shall promote the passing by the Legislature in India of any Act or Acts which may be required to enable the company to carry into effect this contract.

60. No claim shall be made upon the Secretary of State by the company for compensation in respect of any act of the Indian Legislature of general applicability by reason of its prejudicially affecting the projected railway or the profits thereof.

61. The company may, if it shall think it expedient, and shall if required by the Secretary of State at any time after the opening for public traffic of any part of the projected railway, maintain and manage a provident institution, and a savings bank for the benefit of the servants of the company, upon such terms and under such rules and regulations as shall from time to time be approved by the Secretary of State.

62. The Secretary of State may at any time after the whole of the four several lines of railway specified in the 3rd section of this contract shall have been opened throughout for public traffic, require the company to establish and maintain out of contributions from revenue, and on terms to be agreed upon between the Secretary of State and the company, reserve funds for the purposes of insuring property, whether appropriated to the projected railway, or in the custody of the company as common carriers, or in any other capacity against damage by fire, and of making good deteriorations of permanent way and rolling stock.

63. Any notice, determination, decision, direction, requirement, requisition, appointment, certificate, or expression of opinion, approval, or sanction to be given or signified on the part of the Secretary of State for any of the purposes of or in relation to this contract, or any of the powers or provisions herein-contained shall be sufficient and binding, if in writing, signed by the Secretary of State, or one of his under secretaries, or by a secretary of the Government of Bombay, or by any other officer or servant authorised to act on behalf of the Secretary of State in respect of the matters to which the same shall relate, and the Secretary of State shall not in any case be bound in respect of any of the matters aforesaid, unless by some writing signed in the manner before mentioned in this section.

64. The

64. The company shall at all times during the continuance of this contract keep an office established at some place in India, to be determined from time to time by the Secretary of State, and shall keep at the said office an authorised agent, or committee of agency, with whom the Secretary of State, and the Government of India, or other officer or officers deputed in that behalf, may communicate on affairs concerning this contract, and the duties and liabilities of the parties hereto under this contract, and all drafts drawn and receipts given by the said agent, or committee of agency, or under his or their authority on behalf of the company in relation to this contract, or any of the duties or liabilities of the company under this contract, shall be binding on the company, and every notice to be given to the company (save any notice with respect to the determination of this contract as hereinafter provided) shall be sufficiently given if left at the said office, or personally served on the said agent, or any member of the said committee of agency.

As to the Termination and Expiration of the Contract and Repayments to Company.

65. The Secretary of State may determine this contract, either on the 30th of June 1907, the 30th of June 1917, or the 30th of June 1927, on giving to the company in London not less than 12 calendar months' previous notice in writing of such determination. The Secretary of State may also, if default shall be made by the company in duly paying the aforesaid sum of 3,000,000 *l.*, or any instalment thereof, pursuant to this contract, or in the construction and completion in conformity with this contract of the projected railway, or any part thereof, and the stations and other works thereof, or in the due equipment, pursuant to this contract, of the projected railway, or any part thereof, with rolling stock, machinery, or plant, or in case there shall be any breach on the part of the company of any of the provisions of this contract, or in case at any time after the whole of the four lines of railway specified in the third section of this contract shall have been opened throughout for public traffic, the projected railway, or any part thereof, shall in the opinion of the Secretary of State be in course of gross mismanagement by the company, or be worked at a loss, and have been so worked for not less than three half years continuously up to the time of the exercise by the Secretary of State of the powers now being conferred on him, determine this contract by giving to the company in London six calendar months' previous notice in writing of such determination. The company may determine this contract on the 30th of June 1888, or on the 30th of June in any subsequent year, on giving to the Secretary of State not less than 12 calendar months' previous notice in writing. Upon the day on which this contract shall expire by efflux of time, or terminate under any notice given by the Secretary of State or by the company under this section, the company shall deliver to the Secretary of State possession of all land of which he shall have allowed the company possession under or for the purposes of this contract (except only such lands as may previously have been already re-delivered to him or sold with his sanction), together with the stations, station-yards, offices, warehouses, houses for employés, conveniences, rails, machinery, fixtures, and plant then erected or being on the land to be delivered up under this section, or in anywise belonging to the projected railway, or any part thereof, and also deliver to the Secretary of State possession of any office in England of the company, and deliver to the Secretary of State all rolling stock, moveable machinery, and plant, belonging or appropriated, either as regards purposes of construction or working, or otherwise, to the projected railway, or any part thereof, or any of the works or adjuncts thereof, and all stores in hand or in course of delivery on that day, and all plans, books, surveys, sections, printings, writings, and documents, whatsoever, in anywise connected with or with the construction of the projected railway, or any part thereof, or any of the works or adjuncts thereof, and any electric telegraphs, telegraphic appliances, and other property belonging to the Secretary of State, and then in the possession of the company, in reference to this contract, including all furniture and tenants' fixtures appropriated to the office in England of the company. The company will also on the day on which this contract shall so expire or terminate as last above mentioned, refund to the Secretary of State any money belonging to the Secretary of State which shall then be under the control or in the hands of the company, or any of its officials or agents, and the Secretary of State shall be bound to indemnify

the company, its property and effects, against all such then existing debts and liabilities (if any) incurred by the company with the sanction of the Secretary of State in relation to this contract, as would but for the expiration or termination of this contract have had under this contract to be fulfilled or discharged by the company at cost which would under this contract have been properly charged to capital or revenue. The company, if required by the Secretary of State, shall at any time after possession of any office in London of the company shall have been under this section delivered to the Secretary of State, execute at the cost of the Secretary of State, to any person nominated in that behalf by him, a proper assignment or assurance of the office last aforesaid.

66. The termination of this contract under the section last hereinbefore contained, whether the notice under which the same shall terminate shall have been given by the Secretary of State, or by the company, shall be without prejudice to the rights of either party against the other in respect of any covenant herein contained which may have been broken previously to the termination of this contract.

67. All land of which the Secretary of State shall allow the company to have possession for any of the purposes of this contract, and everything to be constructed thereon, and all rails, plant, machinery, rolling stock, stores, fixtures, and implements of every description acquired by the company for the purpose of constructing, maintaining, equipping, keeping up the equipment of or working the projected railway or any part thereof, or any stations, station-yards, offices, warehouses, houses for employés or works upon any land of which the Secretary of State shall so allow the company to have possession as aforesaid, or for any other purposes of the projected railway, are hereby declared to be respectively the property of the Secretary of State. The company shall not be entitled to any remuneration from the Secretary of State in respect of its services under this contract.

68. At the expiration of this contract, by efflux of time, unless this contract shall have previously been determined under the provisions herein contained, or if this contract shall be so previously determined, then upon the day appointed for termination of this contract by the notice which shall determine the same, the Secretary of State shall at his option, out of the revenues of India, either pay to the company in London an amount equal to the amount which shall then have been paid by the company, conformably with this contract, in respect of the said sum of 3,000,000 *l.*, and also an amount equal to the aggregate of any such sum or sums of money (other than in respect of the said sum of 3,000,000 *l.*, or any part or parts thereof), as shall have been paid by the company into the Bank of England to the credit of the Secretary of State under the 26th and 28th sections of this contract, or under either of such sections or out of the revenues aforesaid, pay to the Company in India the equivalent in rupees at the market rate of the day for bills drawn on London payable on demand of the aggregate of the amounts which if the Secretary of State had exercised his option under this section of making payment in London would under this section have been payable by him to the company in London.

Arbitration.

69. If any dispute, question, or controversy, shall at any time arise between the Secretary of State and the company, touching this contract, or any clause or thing herein contained or the construction hereof, or any matter connected with this contract, or the operation of the same, or the rights, duties, or liabilities of either party in relation to the premises, then and in every such case the matter in difference shall be referred to two arbitrators or their umpire, pursuant to and so as with regard to the mode and consequences of the reference, and in all other respects to conform to the provisions in that behalf contained in the Common Law Procedure Act, 1854, or any subsisting statutory modification thereof, and upon every such reference the arbitrators and umpire shall respectively have power to examine witnesses upon oath or affirmation, and either to fix, settle, and determine the amount of costs of the reference and award respectively, or incidental thereto, to be paid by both parties or by either party, or to direct the same to be taxed, either as between solicitor and client

client or otherwise, and to direct and award where and by and to whom such costs shall be paid, and every or any such reference may be made a rule of Her Majesty's High Court of Justice, or of the High Court of Judicature at Bombay, on the application of the Secretary of State or of the company, and either the Secretary of State or the company may instruct counsel to consent thereto for the other party.

In witness whereof, Lieutenant General Richard Strachey, Companion of the Most Exalted Order of the Star of India, and Andrew Cassels, Esquire, being two Members of the Council of India, have hereunto set their hands and seals, and "The Southern Mahratta Railway Company, Limited," have hereunto caused their common seal to be affixed the day and year first above written.

Signed, sealed, and delivered by the above-named Lieutenant General Richard Strachey and Andrew Cassels, Esquire, being two Members of the Council of India, in the presence of

Hy. Treasure,
India Office, S.W.,
Solicitor.

R. STRACHEY. L. S.

ANDREW CASSELS. L. S.

The common seal of the Southern Mahratta Railway Company, Limited, was hereunto affixed in the presence of

Henry Green }
Fred Francis } Directors.

The Seal of the Southern Mahratta Railway Company, Limited.

(Countersigned) *Edw. L. Thornton*, Secretary.

CONTRACT between the SECRETARY of STATE for INDIA in Council and the ROHILKUND and KUMAON RAILWAY COMPANY, dated 12th October 1882.

THIS INDENTURE, made the 12th day of October 1882, between the SECRETARY OF STATE IN COUNCIL OF INDIA, of the one part, and the ROHILKUND and KUMAON RAILWAY COMPANY, LIMITED, of the other part, Witnesseth, and it is hereby agreed and declared as follows:—

Interpretation of Terms.

1. In this contract the expression "the Secretary of State" means the Secretary of State in Council of India. The expression "the Company," means the company party to these presents. The expression, "the earnings of the company" means the gross moneys to be derived by any means by or on behalf of the company from, or in respect of its general undertaking contemplated by this contract, so far as existing from time to time (except share and borrowed capital, and so much of the said gross moneys derived as aforesaid as ought to be attributed to capital account), and except any moneys to be paid by the Secretary of State to the company under the 39th section of this contract, and includes the gross moneys to be derived by the company from the working of traffic over the road mentioned in the 34th section of this contract, and from under or by means of any contract which shall be made by the company with any person or other company for the working by such person or company of traffic over the said road, and from the working by the company of any tele-

graphs or telegraphic appliances of which the Secretary of State shall for the time being allow the Company the use, and also includes all payments to be made by the Secretary of State to the Company for services to be performed by the Company for him, and all moneys to be paid by him to the Company under the 29th and 51st sections of this Contract.

Duration of Contract.

2. This Contract shall, unless previously determined under provisions for that purpose hereinafter contained, terminate on the 31st day of December 1981 by efflux of time.

Construction of Line.

3. The Company shall, by the 1st day of January 1885, on the Secretary of State, at the reasonable request of the Company, duly providing the land requisite for the purpose, construct and open for public traffic a single track line of railway from a point on the Pilibhit State Railway near Bareilly in the North-Western Provinces of India (the point to be fixed by the Secretary of State) to Katgodam, a distance of about 62 miles, together with all such stations, station-yards, offices, warehouses, houses for employés, machinery conveniences and works, as shall be necessary or proper for the purposes of the said line of railway, either as regards the due working of the same, or as regards the permanence of the same, and the protection of the same from destruction or injury by inundation, tempest, or otherwise. The said line of railway (hereinafter referred to as "the projected railway") shall be of the mètre gauge, and shall in general structural character conform with the now existing standard of the State railway from Cawnpore to Farrukhabad.

Route of Railway.

4. The projected railway shall, as far as reasonably practicable, follow the route of the existing public road from Bareilly to Katgodam, and may to such extent as the Secretary of State shall sanction, and subject to such conditions as he shall prescribe, be constructed on such road and pass over the bridges and culverts thereof. Subject to the preceding provisions of this section, the Secretary of State shall determine the route of the projected railway, and notify to the Company such route, so far as the same shall from time to time have been determined by him.

Situation of Stations, &c.

5. The Secretary of State shall have power to determine the situation and dimensions of all stations, station-yards, offices, warehouses, houses for employés, conveniences, and works to be constructed in connection with or as part of the projected railway, and may require any part of the line or works to be properly fenced.

Land, &c.

6. The Secretary of State shall at the reasonable request of the Company from time to time provide, free of cost to the Company, except so far as is stipulated by section 8 of this contract, the land requisite for the purposes of the projected railway, and for the stations, station-yards, offices, warehouses, houses for employés, conveniences and works of the same railway, and for purposes connected with the working by the Company of traffic over the road to be constructed under the 34th section of this Contract, and shall give to the Company possession of the land so provided. The Company shall be entitled to possession until and inclusive of the 31st day of December 1981, unless this contract shall be previously determined under the provisions hereinafter contained, or if this Contract shall be so previously determined, then until the day on which this Contract shall terminate, of such of the land of which the Secretary of State shall

shall give to the Company possession under the provisions of this Contract as shall be permanently required for the purposes of the projected railway, and the Secretary of State will guarantee as against all claimants the possession of the land by the Company, but shall not be required to show any title thereto. Provided that nothing in this section contained shall be construed to exonerate the Company from its obligations under the next following section hereof, or to deprive the Secretary of State of any power conferred on him by that section.

7. The Company shall from time to time, upon the requisition of the Secretary of State, re-deliver possession to him of any such of the land of which he shall have given possession to the Company for any purposes connected with the projected railway, or with the working by the Company of traffic over the road mentioned in the last preceding section as shall not be necessary to be retained permanently or temporarily by the Company for any purposes connected with this Contract.

8. The Company shall, from time to time, on demand by the Secretary of State, pay to him the cost price to him, as certified by him, of any such of the land from time to time provided by him under the provisions hereinbefore contained, as shall be hereafter purchased by him. All amounts becoming payable to the Secretary of State under this section shall be paid into such Government Treasury in India as the Secretary of State shall from time to time appoint for the purpose. Provided that as and when possession of any land for which the Company shall have paid to the Secretary of State, the cost price shall under the last preceding section be re-delivered to the Secretary of State, he shall repay to the Company the cost price to him thereof. All land provided by the Secretary of State under the stipulations of this Contract shall, whether provided at his cost or that of the Company, be and continue the property of the Secretary of State, subject only to such right of possession and user thereof by the Company as the Company may be entitled to under this Contract.

Timber and Forest Produce.

9. Subject to such conditions as the Secretary of State may prescribe as to the boundaries of the forest tracts concerned, and as to the description of trees and other produce to be cut and removed, and as to the rules to be observed in cutting and removing trees and other produce, the Secretary of State will allow the Company to cut down in, and remove from, the Bhabar and Tarai forests, conveniently situated for the purpose, timber sufficient for the sleepers required for the original construction of the projected railway, and firewood required for the use of the Company as fuel. The Company is to make no payment for the timber taken by it under this section for sleepers, but in respect of the firewood is to pay annually to the Secretary of State 100 rupees in lieu of forest dues.

Equipment with Rolling Stock, &c.

10. The Company shall equip the projected railway with rolling stock, plant and machinery, to the satisfaction of the Secretary of State. The rolling stock on the opening of the line throughout for public traffic shall, unless it shall be otherwise agreed by the Secretary of State, consist of not less than five engines, 36 passenger vehicles, and 139 goods waggons and miscellaneous vehicles.

Opening for Traffic.

11. The Company may from time to time, as often as an inspecting officer acting on behalf of the Secretary of State shall certify that any portion of the projected railway is fit for the conveyance of passengers and goods, and properly equipped with rolling stock, plant and machinery, open the same portion for public traffic, and shall, when and so soon as an inspecting officer so acting as aforesaid shall have certified that the whole of the projected railway is complete and fit for the conveyance of passengers and goods, and properly equipped with rolling stock, plant and machinery, open the projected railway throughout for public traffic so far as then not open for that purpose.

Access to and Use of Bareilly Terminus and Pilibhit State Railway.

12. The Secretary of State shall by the 31st day of December 1883, construct the terminal station of the Pilibhit State Railway at Bareilly with all needful connexions with the Bareilly Station of the Oudh and Rohilkund Railway, and also that portion of the Pilibhit Railway which extends from the said terminal station to the point near Bareilly at which the projected railway commences, and the Company shall, from and after the 31st day of December 1883, subject to such regulations and to such payments as the Secretary of State shall from time to time, conformably with this section, prescribe, have access for its trains over the aforesaid portion of the Pilibhit Railway to the said terminal station of the Pilibhit Railway in Bareilly, with such accommodation for the trains and traffic of the Company in the terminal station last aforesaid as the Secretary of State shall consider sufficient for the purposes of the Company. The payments for the use of the said railway and station shall commence from the date of the opening of the projected railway throughout for public traffic, or from the 1st day of January 1885, whichever date shall first arrive. In no case shall a larger annual sum than 11,250 rupees be payable by the Company for the sole or other use of the terminal station and approach mentioned in this section, and subject to this qualification, the payments to be made by the Company under this section shall not in respect to any such periods as the Company shall have the sole use of the terminal station and approach mentioned in this section, exceed the sums to which interest would amount if calculated during the corresponding periods, at the rate of 4½ per cent. per annum on the aggregate cost to the Secretary of State as stated by him of the construction of the terminal station and approach last aforesaid, and shall not during any other periods exceed amounts bearing the same proportion to the maximum amount which might have been charged to the Company had it had the sole use during those periods of the terminal station and approach mentioned in this section as the Company's traffic for the time being, using the same station and approach bears to the aggregate traffic for the time being using the same.

Telegraphs.

13. The Secretary of State may from time to time construct such electric telegraphs and telegraphic appliances as he shall think fit, along or upon the projected railway, or any part or parts thereof, or any land or works belonging thereto, and may maintain and work the same electric telegraphs and telegraphic appliances as he shall think fit, and it shall be lawful for him, from time to time, to erect, maintain, make, do, and execute on any part or parts of the projected railway, or on any land or works belonging thereto, all such buildings, machinery, works, acts and things as he shall consider necessary or proper in relation to the construction, maintenance, use, and working of the said electric telegraphs and telegraphic appliances. The Company shall at all times furnish the Secretary of State with such free passes over the projected railway, or any part or parts thereof as he shall require, for persons employed by him in or about or in connection with the construction, maintenance, working, or inspection of the electric telegraphs and telegraphic appliances mentioned in this section, or any buildings or works appertaining thereto.

14. The Secretary of State shall from time to time allow the Company to have the exclusive use of any such electric telegraphs and telegraphic appliances as he shall from time to time consider proper to be used by the Company for the purpose of safely or efficiently working the projected railway, or any part or parts thereof, and shall keep the same electric telegraphs and telegraphic appliances in good repair and in good working order and condition, and the Company shall, from time to time, upon demand, pay into such Government Treasury, in India, as shall from time to time be appointed for the purpose by the Secretary of State, the amount which the Secretary of State shall from time to time require the Company to pay in respect of the charges made from time to time by the Government Telegraph Department, for rent, maintenance, and inspection of the electric telegraphs and telegraphic appliances, of which the Secretary

Secretary of State shall from time to time have allowed the Company the exclusive use. All amounts paid by the Company, under the stipulation last hereinbefore contained, shall be included amongst working expenses.

15. The Company, if so directed by the Secretary of State, shall in working any electric telegraphs or telegraphic appliances, of which it shall for the time being be allowed the exclusive use under the last preceding section, observe the rules as to working telegraphs and telegraphic appliances for the time being in force in the case of State Railway Telegraphs, or such rules as the Secretary of State may from time to time prescribe for the Company's observance, and if so directed by the Secretary of State shall account in such manner as shall be prescribed by the rules for the time being in force in the case of State Railway Telegraphs, or as the Secretary of State shall require, for the receipts derived from the working of electric telegraphs and telegraphic appliances.

As to Maintenance and Management of the projected Railway.

16. The Company shall keep the projected railway, or so much thereof as shall for the time being have been opened for public traffic, and the stations and other works belonging thereto, in good repair, in good working condition, and sufficiently supplied with rolling stock, plant, machinery, and stores.

17. The Company shall, to the satisfaction of the Secretary of State, and at its own cost, keep in good order, and in a condition suited to the use of ordinary wheeled and other traffic, all bridges and culverts on the aforesaid road, from Bareilly to Katgodam, over which the projected railway shall pass, including the bridge over the Kitcha river, and shall further pay into such Government Treasury in India, as the Secretary of State shall from time to time appoint for the purpose, the sum of 330 rupees yearly, in consideration of work done by the Government for the improvement of the bridge last aforesaid.

18. The Company shall keep the rolling stock, machinery, and plant for the time being belonging to the projected railway, and to every part thereof, which shall for the time being have been opened for public traffic, in good repair and in good working condition.

19. The Company shall maintain a sufficient staff for the purpose of working the projected railway, or so much thereof, as shall for the time being have been opened for public traffic.

20. The projected railway, and all the stations and other works, rolling stock, fixed and moveable machinery and plant, from time to time belonging thereto, shall at all times be open to inspection by any officer or officers acting on behalf of the Secretary of State, and the Company shall afford to every such officer all such facilities as he shall reasonably require, to enable him to inspect any of the particulars open to inspection under this section.

21. Whenever any duly authorised inspecting officer, acting on behalf of the Secretary of State, shall report to the Government of India that in his opinion the use of the projected railway, or of any particular part thereof, will be attended with danger to passengers, the projected railway, or the part thereof referred to in the report, as the case may be, shall upon the requisition of the Government of India be forthwith closed, so far as regards the conveyance of passengers, and shall not be re-opened for that purpose, unless and until such an inspecting officer as last above mentioned shall have subsequently inspected the projected railway, or as the case may be, the part thereof for the time being closed, and have certified the projected railway, or as the case may be the part thereof for the time being closed, to be fit and safe for the conveyance of passengers.

22. The Secretary of State may from time to time prohibit the Company from using any engine, carriage, waggon, vehicle, machine, or appliance of any description whatsoever, of which the use shall be declared by a duly authorised inspecting officer, acting on behalf of the Secretary of State, to be attended with danger to passengers or to the public, and the Secretary of State may, by taking into his custody such engine, carriage, waggon, vehicle, machine, or appliance,

or by such other means as he shall think fit to employ, prevent the Company from using the same.

23. The Secretary of State may from time to time after the projected railway shall have been opened throughout for public traffic, by notice in writing, require the Company to carry out any reasonable alteration, improvement, or addition that may in his opinion be necessary for the safety of passengers or of the public, or for the safe working of the railway to be made in or to any part of the projected railway, or any of the stations or works belonging thereto. Such notice shall specify the alteration, improvement, or addition required, and shall also in general terms describe the works to be executed for the purpose of effecting the same. On receiving any such notice, the Company shall with all reasonable speed execute the works described therein, the Secretary of State providing and giving the Company possession of any land that may be requisite for the purpose of such works. The land so soon as in the possession of the Company to be as between the Secretary of State and the Company, subject as nearly as may be to the stipulations and provisions to which it would have been subject under this contract had it been land, of which possession was given to the Company by the Secretary of State for the original construction of the projected railway, or of works necessary or proper for the purposes thereof. The Company shall pay to the Secretary of State the cost price to him of such of the land provided by him under this section as shall be hereafter purchased by him. If and as often as the Company shall fail to execute or complete to the satisfaction of the Secretary of State, and within a reasonable time, the works prescribed in any such notice as mentioned in this section, the Secretary of State may execute or complete the execution of the works, and the works so executed or completed by the Secretary of State shall be taken to by the Company as works belonging to the projected railway, and the Company and the Secretary of State shall subject to the proviso next hereinafter contained respectively, be in the like relative positions in respect to such works as they respectively would have been in had the works been completed by the Company. Provided always, and it is hereby declared that the Company shall refund to the Secretary of State all expenditure incurred by him in the exercise of the powers conferred on him by this section, and shall from time to time on demand pay into such Government Treasury in India as he shall from time to time appoint for the purpose, the amount which the Secretary of State shall from time to time state to be due to him from the Company in respect of such expenditure as last aforesaid.

Police.

24. The Secretary of State shall provide and maintain for the purposes of so much of the projected railway as shall for the time being have been opened for public traffic, such a force of police as the Company, with the approval of the Secretary of State, shall from time to time require, with the qualification that in case of difference between the Secretary of State and the Company as to the force of police required for the preservation of law and order, the determination of the question shall rest with the Secretary of State. The cost of providing and maintaining the force of police provided and maintained under this section, shall as to three-tenths be borne by the Secretary of State as part of the general expenditure of the Government of India, and as to the remaining seven-tenths by the Company. And the Company shall from time to time on demand by the Secretary of State pay into such Government Treasury in India, as the Secretary of State shall appoint for the purpose, the amount which the Secretary of State shall from time to time state to be due to him from the Company in respect of the force of police provided and maintained under this section. All amounts paid by the Company under the stipulation last hereinbefore contained shall be included amongst working expenses.

25. If the Company shall so desire the Secretary of State will provide at the sole cost of the Company such a force of police as with the approval of the Secretary of State the Company shall from time to time require for the protection of so much of the projected railway as shall for the time being be under construction.

As to the Use and Working of the Company's Undertaking and the Conveyance of Traffic.

26. From and after the time when the projected railway shall have been opened throughout for public traffic until this contract shall terminate by efflux of time or otherwise, the Company shall keep the same so opened, and carry on thereon the business of common carriers of passengers and goods, and in particular shall, unless hindered or prevented from so doing by accident, or any other matter not within its own control, run daily from each extremity of the projected railway to the opposite extremity thereof, not less than one train for the carriage of passengers, and if the Secretary of State shall so require, such train shall stop at every station on the route for the purpose of taking up and setting down passengers. The operation of this section shall from time to time be suspended so far as it shall be impossible for the Company to fulfil the obligations created by it without breach of the stipulations contained in the 21st Section of this contract.

27. The Secretary of State may from time to time, if he shall think any alteration or improvement in the working by the Company of the projected railway, or any part thereof, necessary for the safety of passengers or of the public, or for the effectual working of the railway, require the Company to effect such alteration or improvement, and the same shall thereupon be effected by the Company.

28. The maximum fares and rates to be charged by the Company for the carriage of passengers and goods respectively on the projected railway, or so much thereof as shall for the time being have been opened for public traffic, shall be as follows (that is to say):—

Passenger Fares.	Goods Rates.
First class, 3 annas per mile.	Edible grains, $\frac{1}{3}$ pie per maund per mile.
Lower class, $4\frac{1}{2}$ pies per mile.	Parcels and live stock at rates not exceeding 50 per cent. over the rates for the time being in force on the East Indian Railway.
Passengers' luggage, 2 pies per maund per mile.	All other goods, 2 pies per maund per mile.

29. All services which the Secretary of State may require the Company to perform for the Post Office by way of conveyance over the projected railway, or any portion thereof, of mails, as defined by the Post Office Act, or Acts, for the time being in force in India, or the conveyance ever the projected railway, or any portion thereof, of Post Office servants when on duty, shall be performed by the Company, and the Company shall be entitled to receive from the Secretary of State in every half-year the sum of 5,000 rupees, which shall be taken by the Company as in full payment for all services mentioned in this section, excepting services for the due performance of which it shall be requisite for the Company to run a train or engine specially, in which cases the Secretary of State shall pay the Company a reasonable remuneration for the special services rendered to him.

30. The Company shall convey over the projected railway, or so much thereof as shall for the time being have been opened for public traffic, gold and silver bullion and coin, and copper coin, belonging to the Secretary of State, and the persons in charge thereof, at special rates to be from time to time agreed upon between the Secretary of State and the Company.

31. All services performed by the Company for the Secretary of State in relation to its general undertaking contemplated by this Contract, or any part of such undertaking, other than those specially provided for as aforesaid, shall be paid for by the Secretary of State at the ordinary tariff rates charged to the public.

32. The Company shall from time to time, if so required, give precedence to the demands of the Secretary of State, whether for freight or passenger accommodation over all other traffic on the projected railway, or so much thereof as shall for the time being have been opened for public traffic.

33. The Company shall not as between members of the general public make or give any undue or unreasonable preference or advantage to or in favour of any particular person or company, or any description of traffic in any respect whatsoever, or subject any particular person or company, or any particular description of traffic, to any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

Road to Naini Tal Brewery.

34. The Secretary of State will construct and afterwards maintain a road for ordinary wheeled traffic from the terminus of the projected railway at or near Katgodam, to the Naini Tal Brewery. The road mentioned in this section shall be completed within one calendar month after the time when the projected railway shall have been opened throughout for public traffic.

35. The Company shall provide and work, or cause to be provided and worked, to the reasonable satisfaction of the Secretary of State, sufficient and suitable means of transport by wheeled vehicles, or otherwise, over the road last aforesaid, for all passengers and goods requiring to be carried from the terminus last aforesaid to the Naini Tal Brewery, and from the Naini Tal Brewery to such terminus respectively.

Money Capital.

36. The Company shall within such period, and by such instalments as the Secretary of State and the Company shall agree, pay into the Bank of England to the credit of the Secretary of State the sum of 200,000 *l.* Provided that the Company may *pro tanto* discharge itself of its obligations under this section by payment of any amount in rupees into any Government Treasury in India approved for the purpose by the Secretary of State, amounts so paid to be deemed the equivalent of sterling money, at the rate of 12 rupees to the pound sterling.

Drafts on Capital.

37. As often as any moneys shall (until the aggregate amount paid in by the Company under the last preceding section shall be exhausted or have been refunded by the Secretary of State to the Company) be required by the Company to defray expenditure incurred by the Company in fulfilling its obligations under this contract, the same may be drawn by the Company in London or in India, according to such arrangements as shall be made from time to time with the Secretary of State for the purpose, ten days' notice at least of every draft, or proposed draft, shall be given by the Company to the Secretary of State, and the Company shall not in any case be entitled under this section to draw to an extent greater than the balance in its favour for the time being, having regard to the respective amounts for the time being paid by the Company under the section last hereinbefore contained, and drawn by the Company under this section. All such amounts as shall be drawn in India by the Company under this section shall be deemed equivalent to sterling money at the rate of 12 rupees to the pound sterling, and the provisions of section 70 of this Contract shall not apply to moneys of which the Company shall, under this section, have given notice of drawing in London.

Return of Surplus.

38. If the aggregate amount which shall have been paid by the Company under the 36th section of this Contract shall not have been drawn by the Company at the time when the projected railway shall have been opened throughout for public traffic, or when this Contract shall terminate, under notice given by the Secretary of State under the provisions hereinafter contained, the Secretary of State shall refund to the Company in London the balance remaining undrawn.

Temporary Provisions.

39. The Secretary of State will, if this Contract shall so long continue until and inclusive of the 1st day of January 1885, unless the projected railway shall have been previously opened throughout for public traffic, and in that case until the day on which the projected railway shall have been first opened throughout for public traffic, out of the revenues of India, pay to the Company in London half-yearly, on the 1st day of July, and the 1st day of January, interest at the rate of 4 per cent. per annum on so much of the said sum of 200,000 *l.* as shall for the time being have been paid by the Company in accordance with the previous provisions of this Contract. Such interest as is under this section to be paid on the 1st day of July is to be calculated up to the 30th day of June immediately previous, and such interest as is under this section to be paid on the 1st day of January, is to be calculated up to the 31st day of December immediately previous. If the liability of the Secretary of State to pay interest to the Company shall terminate by the projected railway having been opened throughout for public traffic, the Secretary of State shall, as soon as may be afterwards, pay to the Company a properly apportioned part of the half-yearly payment of interest accruing at the time when the projected railway shall first have been opened throughout for public traffic. The Secretary of State shall be entitled to interest at the rate of 4 per cent. per annum on all amounts paid by him to the Company under this section, the interest to run in favour of the Secretary of State on the respective amounts from the respective dates of the payment thereof respectively by him to the Company, but except under the provisions of the sub-sections respectively numbered 2 and 7 of the 40th section of this Contract the Secretary of State shall not be entitled either to repayment of the interest paid by him to the Company under this section, or to payment of the interest thereon.

40. The earnings of the Company relating to each period of six calendar months (hereinafter called a "half-yearly period") ending either on a 30th day of June or 31st day of December shall, until the period of the liability of the Secretary of State, under the provisions hereinbefore contained, to pay interest to the Company shall have terminated, and subsequently to such termination, until the aggregate amount which shall be paid by the Secretary of State to the Company in respect of such interest shall have been repaid in full to him, with interest thereon at the rate hereinbefore provided, be applied as follows (that is to say):—

(*a.*) As to the earnings attributable to half-yearly periods anterior to the termination of the liability of the Secretary of State under the provisions hereinbefore contained to pay interest to the Company:

1. In the first place, in or towards payment of working expenses incurred up to the end of the half-yearly period to which the earnings relate, including any undischarged working expenses attributable to any previous period or periods.

2. In the next place, in or towards the repayment to the Secretary of State of the interest (if any) which shall under the section last hereinbefore contained have become payable by him to the Company at the end of the half-yearly period to which the earnings relate.

3. In the next place, in payment of the residue (if any) to the Company.

(*b.*) As to the earnings attributable to other half-yearly periods:

4. In the first place, in or towards payment of working expenses incurred up to the end of the half-yearly period to which the earnings relate, including any undischarged working expenses attributable to any previous period or periods.

5. In the next place, in or towards payment of the interest on the borrowed capital (if any) of the Company, including any arrears of such interest.

6. In the next place, in or towards payment to the Company of a sum equal to the sum to which interest would amount at the rate of 5 per cent. per annum on the aggregate amount for the time being *bonâ fide* paid up on such of the share capital of the Company as shall for the time being have been issued, computed for the period of six calendar months as regards such parts of the last-mentioned aggregate amount as shall have been paid up prior to the commencement of the half-yearly period to which the earnings for the time being dealt with relate, and computed on all other parts of the same aggregate amount from the respective times at which the same shall have been respectively paid up, down to the end of the half-yearly period to which the earnings for the time being dealt with relate: Provided that in no case shall a larger sum than 5,000 *l.*, without the sanction of the Secretary of State, be payable to the Company under this sub-section out of the earnings relating to any single half-yearly period.

7. In the next place, as to one moiety shall be paid to the Company, and as to the other moiety (without prejudice to the subsequent provisions of this sub-section) shall be applied in keeping down the interest accrued down to the end of the half-yearly period to which the earnings relate on so much of the interest previously paid by the Secretary of State to the Company under the provisions hereinbefore contained as shall not have been previously repaid to him, and in the next place towards repayment to the Secretary of State of the interest previously paid by him to the Company under the provisions hereinbefore contained, so far as not previously repaid to him: Provided always, that notwithstanding the provisions for the half-yearly application of earnings hereinbefore contained, the Company shall, in priority to any right of the Secretary of State to payments under this sub-section, be entitled in each entire calendar year, ending the 31st day of December, to receive in full out of the earnings of such year remaining, after providing for the payments to be made pursuant to sub-sections 4 and 5 of this section 40, the two half-yearly payments of interest to which it would be entitled under sub-section 6 of this section 40, but for a deficiency in the amount of the earnings, and to any extent to which in the first half-year ending the 30th day of June of such entire year, there shall have been a deficiency of earnings to make up the full half-yearly payment of interest, the same shall, as far as may be, be made good out of the earnings of the second half year of the same year, and similarly any surplus earnings for the first half-year of any entire calendar year ending the 31st day of December, shall be applicable in priority to any right of the Secretary of State to payments under this sub-section, to make good the deficiency on the second half-year of the same year, and the accounts for the half-years shall be duly adjusted so as to give effect to this proviso, and any such of the moneys received by the Secretary of State in respect of earnings attributable to any half-year ending the 30th day of June, as upon any adjustment under this proviso shall be found not to have been receivable by him, shall be refunded.

8. And as to any ultimate surplus the same shall be paid to the Company.

(*c.*) In case the projected railway shall be opened throughout for public traffic prior to the 1st day of January 1885, the earnings of the Company attributable

attributable to the half-yearly period current at the time when the projected railway shall have been first opened throughout for public traffic shall be properly apportioned, and shall, with all proper variations, be treated as to part as earnings relating to a half-year antecedent to the opening prior to the 1st day of January 1885 of the projected railway throughout for public traffic, and as to the residue as earnings relating to a half-year subsequent to the day last aforesaid.

41. All moneys coming within the term "earnings of the Company," as hereinbefore defined, received by or on behalf of the Company prior to the time when the liability of the Secretary of State, under the provisions hereinbefore contained, to pay interest to the Company shall terminate, and subsequently until the aggregate amount which shall have been paid by the Secretary of State to the Company in respect of such interest under the provisions hereinbefore contained, shall have been repaid in full to him with the interest thereon, shall at such times and in such manner as the Secretary of State shall from time to time direct, be paid into such Government Treasury in India as the Secretary of State shall from time to time appoint for the purpose, and the moneys when so paid in may from time to time be drawn upon by the Company according to such arrangements as shall from time to time be made between the Secretary of State and the Company for application to purposes to which as between the Secretary of State and the Company they shall be properly applicable. No moneys paid by the Company under this section shall be reckoned as part of the aforesaid sum of 200,000 *l.*

Participation of Secretary of State in Profits.

42. The earnings of the Company attributable to the period of 12 calendar months ending the 31st day of December 1898, and to every subsequent period of 12 calendar months ending on the 31st day of December, shall be applied as follows (that is to say):

(1.) First, in payment of working expenses attributable to the period to which the earnings relate.

(2.) In the next place, in payment of any undischarged working expenses attributable to any previous period or periods.

(3.) In the next place, in or towards payment of the interest on the borrowed capital (if any) of the Company, including any arrears of such interest.

(4.) In the next place, in or towards payment of a sum equal to the sum to which interest would amount at the rate of 6 per cent. per annum on the aggregate amount for the time being *bonâ fide* paid up on such of the share capital of the Company as shall for the time being have been issued, computed for the period of 12 calendar months; as regards such parts of the last-mentioned aggregate amount as shall have been paid up prior to the commencement of the period of 12 calendar months, to which the earnings for the time being dealt with relate, and computed on all other parts of the same aggregate amount from the respective times at which the parts shall respectively have been paid up, down to the end of the period of 12 calendar months to which the earnings for the time being dealt with relate.

(5.) The surplus, if any, shall belong as to one-half to the Secretary of State, and as to the other half to the Company, and the Company shall pay to the Secretary of State, either in England or India, as the Company may elect, the amount to which the Secretary of State shall for the time being have become entitled under this section, within 30 days after the ascertainment of the amount. If for the purposes of this sub-section it shall be requisite to convert sterling money into Indian currency, or Indian currency into sterling money, the conversion shall be effected at the market rate of the day for bills drawn on India payable on demand.

Restrictions on Borrowing Powers.

43. The total indebtedness of the Company on account of borrowed capital shall not at any time exceed the sum of 100,000 *l.*, or any such larger amount as may for the time being have been prescribed by the Secretary of State, but this restriction shall not preclude the Company from borrowing money for the *bonâ fide* purpose of paying off previously existing indebtedness of the Company, on account of borrowed capital to an amount equal to the extent of the money so borrowed, provided the money borrowed be *bonâ fide* applied to the purpose last aforesaid, as to which, however, no person lending or advancing money to the Company shall be concerned to see. No money shall, without the previous sanction of the Secretary of State, be borrowed by the Company at a discount, or on terms of the Company paying to the lender a larger capital sum than that actually borrowed from him by the Company. The Company shall not, without the sanction of the Secretary of State, pay interest at a rate higher than 5 per cent. per annum on any moneys borrowed by or owing from it, but this stipulation shall not necessitate the sanction of the Secretary of State to the payment of interest by the Company at any reasonable rate on any sums which the Company may borrow for *bonâ fide* temporary purposes.

Accounts, Statistics, and Audit.

44. The Company shall keep a capital account and a revenue account, and shall also keep all such accounts and all such details and statistics of its traffic as are required by the Secretary of State to be kept by the Indian Railway Companies, whose undertakings are worked under the supervision of the Secretary of State, and in the forms in which the Secretary of State requires the accounts, statistics, and details of traffic last aforesaid respectively to be kept, and the Company shall at its own cost render the capital account and revenue account and all accounts, statistics, and details of traffic kept by it under this section to the Secretary of State at such times as he shall from time to time require.

45. In the capital account shall be entered all such of the expenditure and receipts by or on behalf of the company in respect to its general undertaking contemplated by this contract, as are properly attributable to capital.

46. In the revenue account shall be entered all such of the expenditure and receipts by or on behalf of the Company, in respect to its general undertaking contemplated by this contract, as are properly attributable to revenue.

47. In any case where any question may or might arise as to whether any expenditure is to be treated in the whole or in part as a charge on capital, or how the same is to be dealt with, the question shall be determined on the general principle that capital, besides bearing the cost of the original construction and completion of the projected railway, and the stations, station-yards, offices, warehouses, houses for employés, fixed machinery, conveniences, and works appertaining thereto, and of the original equipment of the projected railway and its appurtenances, with rolling stock, plant, and moveable machinery, and the cost of the equipment and conveniences to be originally provided by the Company for the transport of passengers and goods mentioned in the 35th section of this contract, is to bear the cost of new works, of additional rolling stock and plant, and fixed and moveable machinery, and of substantial improvements of and additions to old works, rolling stock, plant, and fixed and moveable machinery, and that the cost of repairs, restorations, renewals, and replacements is to be charged to revenue account. No portion of the salary or allowances of any member of the permanent supervising or other administrative staff of the Company, accrued subsequently to the time when the projected railway shall have been opened throughout for public traffic, shall be chargeable to capital, although such member may have been employed partly or wholly in directing or superintending work which is so chargeable, and no expenses incurred by the Company subsequently to the time when the projected railway shall have been

been opened throughout for public traffic in connection with the engagement from England or the passage from or to England of any person in the Company's service shall be chargeable to capital, unless such person shall have been specially engaged to carry out work chargeable to capital, and have been actually employed upon such work. All the expenses of the Company properly incurred up to the time when the projected railway shall have been opened throughout for public traffic, exclusive of working expenses attributable to so much of the projected railway as shall for the time being have been opened for public traffic, but inclusive of all costs of and incidental to the formation and registration of the Company, shall be chargeable to capital.

48. The accounts of the Company in relation to its expenditure and receipts in India, England, and elsewhere shall from time to time be audited on behalf of the Secretary of State, as well as on behalf of the Company, and the Company shall produce to the auditors or auditor all vouchers, books, accounts, papers, and documents of the Company necessary for the purpose of the audit, and afford to them or him all facilities requisite for the performance of their or his duties. Amongst the functions of the auditors or auditor shall be included the duty of seeing that the revenue of the Company is duly applied from time to time in discharging working expenses and keeping down the interest on the borrowed capital of the Company. Any correction made in the accounts by any persons or person who shall be acting as joint auditors or joint auditor on behalf both of the Company and of the Secretary of State shall be conclusive. If consequent on the audit of any auditor acting exclusively on behalf of the Secretary of State, the Secretary of State shall require alterations to be made in the accounts, and the Company shall object to the alterations, the matter in difference shall be referred for final decision to two persons, one to be named by the Secretary of State, and the other to be named by the Company, and in case such two persons shall be unable to agree, then to a referee to be named by them, the same two persons. The necessary costs of the audit shall be defrayed by the Company, and included in working expenses.

Working Expenses.

49. Working expenses shall include all costs and expenses incurred by the Company in or about or in connection with the maintenance, management, and working of so much of the projected railway as shall for the time being have been opened for public traffic (inclusive of the cost to the Company of working its traffic to the aforesaid terminal station at Bareilly, and of working or causing to be worked passenger and goods traffic between the points mentioned in the 35th section of this contract), also all costs and expenses in any portion of this contract stipulated to be included amongst working expenses, and in general all reasonable expenses of managing and carrying on the undertaking contemplated by this contract to be established and carried on by the Company.

50. Neither any payment made by the Company to any reserve fund established for any purpose, nor the cost of any force of police provided by the Secretary of State for the protection of any part of the projected railway in course of construction shall be included amongst working expenses, but the cost of such police shall be charged to capital as part of the cost of construction.

Subsidy to Company.

51. If the Company shall from time to time, during the period of ten years, computed from the date when the projected railway shall first have been opened throughout for public traffic, continuously perform and observe to the satisfaction of the Secretary of State its obligations under this contract, so far as from time to time to be performed and observed by the Company, the Secretary of State will, during the said period of 10 years, out of the revenues of India, pay to the Company in India half-yearly the sum of 20,000 rupees by way of subsidy. Provided that in no case shall any annual sum be payable to the Company under this section in respect to any year subsequent to the year ending the 31st day of December 1894. It is distinctly understood that the Secretary of State shall be at liberty (without prejudice to his right of determining this contract, or to any other rights by this contract conferred upon him) to make, if he thinks fit,

from any half-yearly payment mentioned in this section, a deduction of 100 rupees in respect of every day on which the Company shall fail to comply, to the satisfaction of the Secretary of State, with the conditions of the 26th and 35th sections of this contract, but such deductions shall not be made in any case where the Secretary of State is satisfied that the default arose from accident or any other matter not within the Company's control.

Running Powers, Facilities, and Accommodation for other Railway Companies, and for the State as to State Railways.

52. The Secretary of State will, so far as he may from time to time consider it desirable for the public convenience, endeavour to obtain for the Company on reasonable terms and conditions powers to form such junctions as the Secretary of State may approve, with railways belonging to other railway companies, or to the State, and to run the trains of the Company on such other railways.

53. The Secretary of State may from time to time require the Company to allow the use of the projected railway, or any part or parts thereof, for the passage of engines and trains belonging to other railway companies or to State railways, upon the payment of reasonable tolls, and under reasonable conditions and restrictions.

54. The Secretary of State may from time to time require the Company to make reasonable arrangements for the interchange of traffic and rolling stock with railways belonging to other companies, or to the State, and for through booking.

55. The Secretary of State may from time to time require the Company to allow the use of any of the stations belonging to the projected railway for the accommodation of the traffic of any other railway company or State railway upon the payment of reasonable tolls, and under reasonable conditions and restrictions.

56. The Company shall comply with all regulations from time to time prescribed by the Secretary of State for clearing through traffic with other railways.

Miscellaneous Provisions.

57. The Company shall not during the continuance of this contract, without the sanction of the Secretary of State in writing first obtained, engage in or carry on any business other than the business provided by this contract to be carried on by the Company and business incidental or subsidiary thereto.

58. The Company shall not within the period of 12 calendar months immediately preceding the 31st day of December 1981, or if notice shall be given by the Secretary of State to the Company conformably with the provisions hereinafter contained under which this contract will terminate on the 31st day of December 1912, or the 31st day of December 1932, within the period of 12 calendar months immediately preceding either one of the two days last aforesaid on which this contract will terminate under such notice as last aforesaid, sell, or otherwise alienate any rolling stock, rails, fastenings, sleepers, fixed or moveable machinery, live stock, carriages, vehicles, plant, stores, or other property belonging or appropriated to or to the working of the projected railway, or any part thereof, or any of the works or adjuncts thereof, or to the system of transport established under the 35th section of this contract. If any property shall be sold or alienated by the Company in contravention of this section the Company shall forthwith pay to the Secretary of State the value of the property so sold or alienated.

59. The Company may at any time pay to the Secretary of State the amount remaining unsatisfied to him in respect of interest paid by him to the Company under the 39th Section of this contract, and the interest accrued on such interest and upon and as from the time of such payment all and singular the provisions of the 40th and 41st sections hereof shall cease to operate.

60. The

60. The Secretary of State shall promote the passing by the Legislature in India of any Act or Acts which may be required to enable the Company to carry into effect this contract.

61. No claim shall be made upon the Secretary of State by the Company for compensation in respect of any Act of the Indian Legislature of general applicability for the time being in force by reason of its prejudicially affecting the Company, or the projected railway, or the profits thereof, and the Company and its undertaking shall be subject to the provisions of every such Act as last aforesaid.

62. Any notice, determination, decision, direction, requirement, requisition, appointment, certificate, or expression of opinion, approval, or sanction, to be given or signified on the part of the Secretary of State, for any of the purposes of, or in relation to this contract, or any of the powers or provisions herein contained, shall be sufficient and binding, if in writing, signed by the Secretary of State, or one of his Under Secretaries, or by a Secretary of the Government of the North-Western Provinces, or by any other officer or servant duly authorised to act on behalf of the Secretary of State in respect of the matters to which the same shall relate; and the Secretary of State shall not in any case be bound in respect of any of the matters aforesaid, unless by some writing signed in the manner previously mentioned in this section.

63. The registered office of the Company shall at all times during the continuance of this contract be situate in London or Westminster.

64. The Company shall at all times during the continuance of this contract keep an office established at some place in India, to be determined from time to time by the Secretary of State, and shall keep at the office last aforesaid an authorised agent or committee of agency with whom the Secretary of State and the Government of India, or other officer or officers deputed in that behalf may communicate on affairs concerning this contract, and the duties and liabilities of the parties hereto under this contract, and to whom the Secretary of State and Government of India, and such officer or officers as last aforesaid may pay moneys for the use or on behalf of the Company, and all drafts drawn and receipts given by the said agent or committee of agency, or under his or their authority, on behalf of the Company in relation to this contract, or any payment made or matter arising under, or out, or by virtue of this contract, shall be binding on the Company, and every notice to be given to the Company (save the several notices mentioned in the next succeeding section of this contract) shall be sufficiently given if left at the said office mentioned in this section, or personally served on the said agent or any member of the said committee of agency.

As to Termination of the Contract and Matters Consequent thereon.

65. The Secretary of State may, by giving to the Company in England not less than 12 calendar months' previous notice in writing (hereinafter referred to as "Notice of Purchase"), determine this contract on the 31st day of December 1912, or on the 31st day of December 1932. Also, in case there shall be any default by the Company in payment, pursuant to the 36th Section of this contract, of the sum of 200,000 *l.* in that section mentioned, or any instalment thereof, or in opening the projected railway throughout for public traffic by the 1st day of January 1885, or in case there shall be any breach by the Company (whether by act, omission, or default) of any of the stipulations or provisions of this contract on the part of the Company to be performed or observed, and the Company shall fail to effectually remedy any such default or any such breach of any of the stipulations or provisions of this contract, as previously in this section mentioned, within six calendar months after notice in writing to remedy the same shall have been given to the Company in England by the Secretary of State, he may on the expiration of the six calendar months last aforesaid, determine this contract by giving to the Company notice in writing of such determination, hereinafter referred to as "Notice of Determination." And it is hereby declared that at the time at which this contract shall terminate

by efflux of time or by or under notice of purchase or notice of determination, the Company shall, without acquiring the right to any compensation or payment by the Secretary of State in respect thereof, except as hereinafter provided, relinquish to the Secretary of State all land of which he shall have given to the Company possession or right of user under, or for any purposes of this contract (so far as not then already relinquished to him), together with the stations, station-yards, offices, warehouses, houses for employés, machinery, conveniences, works, rails, fixtures, and plant then erected, or being on the land to be relinquished under this section, or in anywise belonging to the projected railway, or any part thereof, or to the system of transport established under the 35th section of this contract; and also deliver to the Secretary of State all rolling stock, moveable machinery, live stock, carriages, vehicles, and plant belonging or appropriated, either as regards purposes of construction, maintenance, or working or otherwise, to the projected railway or any part thereof, or any of the works or adjuncts thereof, or to the system of transport established under the 35th section of this Contract, and the then existing stock of stores appropriated either as regards purposes of construction or maintenance, or working or otherwise, to the projected railway or any part thereof, or to any of the works or adjuncts thereof, or to any part of the equipment thereof, and all plans, books, surveys, sections, printings, writings and documents whatsoever, in any wise connected with, or with the construction or maintenance of the projected railway or any part thereof, or any of the works or adjuncts thereof. And also deliver to the Secretary of State any telegraphs, telegraphic appliances, or other chattels belonging to the Secretary of State and then in possession of the Company in relation to this Contract. All the particulars to be delivered under this section to the Secretary of State shall at the time when the Secretary of State shall under this section become entitled to the delivery thereof, so far as not already belonging to him, become his absolute property, free from all incumbrances whatever created by the Company, both as between the Secretary of State and the Company and the Secretary of State and the incumbrancers. The termination of this Contract, either by efflux of time or by or under notice of purchase or notice of determination, shall be without prejudice to the rights of either party against the other in respect of any covenant herein contained which may have been broken previously to the expiration or termination of this Contract, and such termination shall not affect the right of either party hereto to require the payment of any unpaid money which under the provisions of this Contract shall have become actually payable to, or on behalf of him or it by the other party hereto.

66. In case this Contract shall terminate, either by notice of purchase given by the Secretary of State or by efflux of time, the Secretary of State shall within four calendar months from the time at which this Contract shall terminate, pay to the Company in London out of the revenues of India a sum of money equal to 25 times the excess of the average yearly amount of the earnings of the Company during the five years immediately preceding the time at which this Contract shall terminate, over the average aggregate sum to which the working expenses of the Company and share of surplus (if any) belonging to the Secretary of State under the 5th sub-section of the 42nd section of this Contract amount yearly during the same five years.

67. If this Contract shall terminate, either by notice of purchase given by the Secretary of State or by efflux of time, the Secretary of State shall deduct from the moneys which would but for this proviso become payable to the Company under the last preceding section, any amount owing by the Company to him at the time of the termination of this Contract. Also, in case at the time at which this Contract shall terminate under notice of purchase given by the Secretary of State, or by efflux of time, the projected railway (having been opened throughout for public traffic), together with the equipment of rolling stock, fixed and moveable machinery, live stock, carriages, vehicles and plant, and the equipment of the system of transport established under the 35th section of this Contract, shall not be in all respects in good working condition, and either in respect to quality or quantity commensurate with the expenditure of capital by the Company in respect to the same premises, the Secretary of State may deduct from the amount to become payable by him to the Company under the

the last preceding section, the expenditure (to be ascertained by arbitration in case of difference) necessary to remedy the defects of condition and equipment, or such of them as may exist.

68. In case the Secretary of State shall determine this Contract by notice of determination, he shall within four calendar months from the time at which this Contract shall terminate, pay to the Company in London, out of the revenues of India, the fair value (to be ascertained by arbitration in case of difference) of all rails, fastenings, sleepers, rolling stock, fixed and moveable machinery, live stock, carriages, vehicles, plant and stores, on the termination of this Contract relinquished or delivered to the Secretary of State by the Company pursuant to this Contract, exclusive, however, of the value of all such of the said property mentioned in this section as shall consist of telegraphs, telegraphic appliances, or other chattels belonging to the Secretary of State, prior to the termination of this Contract. Provided that if the Secretary of State shall determine this Contract by notice of determination, he may on the day on which notice of determination shall have been given to the Company, deliver notice in writing to the Company, requiring the Company to accept the property for which he would but for this provision become bound to pay the fair value to the Company in lieu of payment for the same, and in case such notice as last aforesaid shall be duly given to the Company pursuant to this section, the Secretary of State shall be under no liability under the previous provisions of this section to make any payment to the Company, but the Company may in the same case, at any time not later than nine calendar months from the time at which this Contract shall terminate, remove and retain as its own absolute property all the particulars of which the Secretary of State would under this section but for the present proviso have had to pay the fair value to the Company; but all such of the particulars last aforesaid as shall not be removed by the Company within the time prescribed in that behalf by this section shall at the expiration of such time become the absolute property of the Secretary of State. If any moneys shall under this section become payable by the Secretary of State to the Company, he shall be at liberty to deduct therefrom any amount that may be owing from the Company to him at the time of the termination of this contract.

69. Any such clear balance of money as shall under the conjoint operation of the 66th and 67th sections of this contract, or under the 68th section of this contract, become payable by the Secretary of State to the Company, shall carry interest in favour of the Company at the rate of 4 per cent. per annum, to be computed from the time when this contract shall terminate, down to the time of payment or tender of the clear balance by or on behalf of the Secretary of State to the Company. And the Secretary of State shall pay to the Company in London, out of the revenues of India, any interest accrued under this section in favour of the Company, with the capital money in respect of which the interest shall have become payable.

Power of Secretary of State to Discharge Moneys by Rupee Payments.

70. If and as often as the Secretary of State shall in respect to money becoming payable to the Company under any of the provisions of this contract, pay in rupees to the Company in India the actual ascertained cost of providing in India through a bank for the payment by telegraphic transfer of any specific amount of sterling money in London, the Company shall accept the rupees so paid in lieu and satisfaction of the specific amount of sterling money.

Change of Currency.

71. If in any case not herein otherwise or specially provided for, it shall be requisite to convert into Indian currency sterling money or into sterling money Indian currency, the conversion shall be made at the average rate of exchange obtained by the Secretary of State for bills payable on demand, drawn by him on India during the half-year ending either the 30th day of June or 31st day of December

December immediately preceding the half-year ending the 31st day of December or 30th day of June in which the conversion requires to be effected, or if the Secretary of State shall not have drawn bills on India for so much as three months out of the half-year, by reference to the rates of exchange obtained during which the rate of conversion is to be regulated, then at the average rate obtained during that half-year for the best commercial bills payable on demand drawn in London on India, such average rate to be decided by the Comptroller General at Calcutta.

Arbitration.

72. If any dispute, question, or controversy shall at any time arise between the Secretary of State and the Company touching this contract, or any clause or thing herein contained, or the construction hereof, or any matter connected with this contract, or the operation of the same, or the rights, duties, or liabilities of either party in relation to the premises, then and in every such case the matter in difference, unless special provision shall have been made in this contract for the settlement of the matter so in difference, shall be referred to two arbitrators or their umpire, pursuant to and so as with regard to the mode and consequences of the reference, and in all other respects to conform to the provisions in that behalf contained in the Common Law Procedure Act, 1854, or any subsisting statutory modification thereof, and upon every such reference the arbitrators and umpire shall respectively have power to examine witnesses upon oath or affirmation, and either to fix, settle, and determine the amount of costs of the reference and award respectively or incidental thereto, to be paid by both parties, or by either party, or to direct the same to be taxed either as between solicitor and client, or otherwise, and to direct and award where and by and to whom such costs shall be paid, and every or any such reference may be made a rule of Her Majesty's High Court of Justice, or of the High Court of Judicature, at Allahabad, on the application of the Secretary of State or of the Company, and either the Secretary of State or the Company may instruct counsel to consent thereto for the other party.

In witness whereof Sir Barrow Helbert Ellis, K.C.S.I., and Sir Frederick James Halliday, K.C.B., being two Members of the Council of India, have hereunto set their hands and seals, and the Rohilkund and Kumaon Railway Company, Limited, have hereunto caused their Common Seal to be affixed the day and year first above written.

Signed, sealed, and delivered by the above-named Sir Barrow Helbert Ellis and Sir Frederick James Halliday, being two Members of the Council of India, in the presence of

W. H. Treasure,
India Office.

B. H. ELLIS. L. S.

FRED. JAS. HALLIDAY. L. S.

The Common Seal of the Rohilkund and Kumaon Railway Company, Limited, was hereunto affixed in the presence of

J. S. Trevor,
D. T. Robertson, } Directors.

Seal of the Rohilkund and Kumaon Railway Company Limited.

Archd. McGeckie, Secretary (*pro tem*).

AGREEMENT between the SECRETARY of STATE for INDIA in COUNCIL and Lieutenant-General C. H. DICKENS, C.S.I., R.A., dated 20th October 1882, together with the Schedule therein referred to, being a Contract to be entered into between the Secretary of State for India in Council and the Bengal and North Western Railway Company for a Line from Patna to Baraich, with a branch to Benares.

AN AGREEMENT made this 20th day of October 1882, between the SECRETARY of STATE in COUNCIL of INDIA (hereinafter called "the Secretary of State") of the one part and CRAVEN HILDESLEY DICKENS, of Lexham Gardens, in the County of Middlesex, a Lieutenant-General in Her Majesty's Army and Companion of the Most Exalted Order of the Star of India, of the other part.

WHEREAS the said Craven Hildesley Dickens and divers other persons contemplate the immediate formation and establishment of a joint stock company, with an English domicil, a nominal capital of not less than the sum of 2,200,000 *l.*, and powers sufficient to enable it to undertake, carry out, and fulfil all the works, duties, and liabilities which, under the indenture set out in the schedule hereto (hereinafter called "the Scheduled Contract"), would have to be executed, carried out, and performed by the company party thereto, and have requested the Secretary of State to enter into such undertaking as on his part hereinafter contained which he has consented to do:

Now these presents witness that the Secretary of State doth hereby undertake with the said Craven Hildesley Dickens that if, prior to the 12th day of December 1882, a joint stock company shall be incorporated by special Act of the Parliament of the United Kingdom, or duly registered under the provisions of the Companies Act, 1862 to 1880, in either case with an English domicil, a nominal capital of not less than the sum of 2,200,000 *l.*, and powers sufficient to enable it to undertake, carry out, and fulfil all the works, duties, and liabilities which, under the scheduled contract, would have to be executed, carried out, and performed by the company party thereto, and if the company to be so incorporated or registered shall, prior to the 1st day of February 1883, duly and formally execute in duplicate an indenture identically in the words and figures of the scheduled contract, with the addition thereto only of the date of the indenture, and shall, on or prior to the said 1st day of February 1883, deliver to the Secretary of State the said indenture in duplicate duly and formally executed by the company, the Secretary of State will at any time afterwards, at the request of the said Craven Hildesley Dickens, to be testified by some writing under his hand, execute and deliver the same indenture, which shall thereupon become binding upon the parties thereto.

In witness whereof Colonel Henry Yule, C.B., and Sir Frederick James Halliday, K.C.B., being two Members of the Council of India, and Craven Hildesley Dickens, have hereunto set their hands, the day and year first above written.

Signed by the said two Members of the Council of India, in the presence of
(signed) *D. A. Traill Christie,*
199, Gresham House,
Old Broad-street, E.C., Gentleman.

H. YULE.

FRED. JAS. HALLIDAY.

Signed by the said Craven Hildesley Dickens, in the presence of
(signed) *D. A. Traill Christie,*
199, Gresham House,
Old Broad-street, E.C., Gentleman.

C. H. DICKENS.

THE SCHEDULE ABOVE REFERRED TO.

THIS INDENTURE, made the day of 1882, between the SECRETARY of STATE in COUNCIL of INDIA of the one part, and the BENGAL and NORTH WESTERN RAILWAY COMPANY, LIMITED, of the other part, witnesseth and it is hereby agreed and declared as follows:—

Interpretation of Terms.

1. In this Contract the expression "the Secretary of State" means the Secretary of State in Council of India. The expression "the Company" means the company party to these presents. The expression "the earnings of the company" means the gross earnings and moneys to be derived by any means by or on behalf of the company from or in respect of its general undertaking contemplated by this Contract, so far as existing from time to time (except share and borrowed capital and so much of the said gross earnings and moneys derived as aforesaid as ought to be attributed to capital account), and includes the gross earnings and moneys to be derived from the working by the company of any telegraphs or telegraphic appliances of which the Secretary of State shall for the time being allow the company the use, and from the charges by the company of tolls, under the 36th section of this Contract, and from the working by the company of any ferries, and also all payments to be made by the Secretary of State to the company for services which shall be performed by the Company for him, but shall not include moneys derived from the investment or other employment by the company of the earnings of the company not receivable by the Secretary of State under section 39 of this Contract, and not distributed by way of dividend among the shareholders.

Duration of Contract.

2. This Contract shall, unless previously determined under provisions for the purpose hereinafter contained, terminate on the 31st day of December 1981 by efflux of time.

Construction of Railway.

3. The company shall, by the 31st day of December 1887, on the Secretary of State, at the reasonable request of the company duly providing the land requisite for the purpose, construct and open for public traffic, on a route to be selected and determined by the Secretary of State, a line of railway from Sonepore, near Patna, in the Province of Bengal, to Baraich, in Oude, with a branch, *viâ* Ghazipur, to Benares, a branch to Nawabganj, and a branch to Byram Ghat (which line of railway and branches are hereinafter collectively called "the said railway"), together with all such stations, station yards, offices, warehouses, houses for employés, machinery, conveniences, and works as shall be necessary or proper for the purposes of the said railway, either as regards the due working of the same, or as regards the permanence of the same and the protection of the same from destruction or injury by inundation, tempest, or otherwise. The railway to be constructed by the company under this section shall be of the metre gauge, and shall in general structural character conform in all respects with the now established standard of railways in India on that gauge.

Notification of Route of Railway.

4. The Secretary of State shall from time to time notify to the company the route of the said railway, so far as such route shall from time to time have been determined by him.

Situation of Stations, &c.

5. The Secretary of State shall have power to determine the situation and dimensions of all stations, station yards, offices, warehouses, houses for employés, conveniences, and works to be constructed in connection with or as part of the said railway.

As to existing Surveys, &c.

6. The Secretary of State, having caused various surveys and plans to be made and works to be executed with the view of facilitating and expediting the construction of the said railway, will allow the company to have the benefit of the same surveys, plans, and works, but the company shall discharge all the now existing obligations and liabilities of the Secretary of State under contracts for the execution of works relating to or connected with the construction of the said railway or any part or parts thereof, and shall within three calendar months after the Secretary of State shall have signified in writing to the company the cost to him of the said surveys, plans, and works, refund the amount to the Secretary of State by payment thereof into such Government Treasury in India as the Secretary of State shall appoint for that purpose.

Land.

7. The Secretary of State shall from time to time, at the reasonable request of the company, provide free of cost to the company the land requisite for the construction of the said railway, and for the stations, station yards, offices, warehouses, houses for employés, conveniences, and works necessary or proper for the purposes of the same railway, and shall give to the company possession of the land so provided. The company shall, from time to time, upon the requisition of the Secretary of State, re-deliver possession to him of any such of the land of which he shall have given possession to the company under this section, as shall not be necessary to be retained permanently or temporarily by the company for any purposes connected with this contract.

8. The company shall be entitled to possession until the 31st day of December 1981, unless this contract shall be previously determined under the provisions hereinafter contained, or if this contract shall be so previously determined, then until the day on which this contract shall terminate, of such of the land of which the Secretary of State shall give to the company possession, under the provisions of this contract as shall be permanently required for the purposes of the said railway, and the Secretary of State will guarantee as against all claimants the possession of the land by the company, but shall not be required to show any title thereto: Provided that nothing in this section contained shall be construed to exonerate the company from its obligations under the 7th section of this contract, or to deprive the Secretary of State of any power conferred on him by that section.

Telegraphs.

9. The Secretary of State may from time to time construct such electric telegraphs and telegraphic appliances as he shall think fit, along or upon the said railway, or any part or parts thereof, or any land or works belonging thereto, and may maintain and work the same electric telegraphs and telegraphic appliances as he shall think fit; and may erect, maintain, make, do and execute on the said railway, or on any lands or works belonging thereto, all such buildings, machinery, works, acts, and things as he shall consider necessary or proper in relation to the construction, maintenance, use and working of the said electric telegraphs and telegraphic appliances. The Secretary of State shall be exclusively entitled to the possession of all buildings, machinery, works, and appliances erected or brought by him under the powers conferred on him by this section on the said railway, or on any land or works belonging thereto. The company shall at all times furnish the Secretary of State with such free passes over the said railway, or any part or parts thereof as he shall require for persons employed by him, in or about or in connection with the construction, maintenance, working, or inspection of the electric telegraphs and telegraphic appliances mentioned in this section, or any buildings or works appertaining thereto.

10. The Secretary of State shall from time to time allow the company to have the exclusive use of any such electric telegraphs and telegraphic appliances as he shall from time to time consider proper to be used by the company for the purpose of safely or efficiently working the said railway, or any part or parts thereof,

thereof, and shall keep the same electric telegraphs and telegraph appliances in good repair, and in good working order and condition, and the company shall, from time to time upon demand, pay into such Government Treasury in India as shall from time to time be appointed for the purpose by the Secretary of State, the amount which the Secretary of State shall from time to time require the company to pay in respect of the charges made from time to time by the Government Telegraph Department for rent, maintenance, and inspection of the electric telegraphs and telegraphic appliances, of which the Secretary of State shall from time to time under this section have allowed the company the exclusive use. All amounts paid by the company under the stipulation last hereinbefore contained, shall be included amongst working expenses.

11. The company, if so directed by the Secretary of State, shall in working any electric telegraphs or telegraphic appliances, of which it shall for the time being be allowed the exclusive use under the last preceding section, observe the rules as to working telegraphs and telegraphic appliances for the time being in force in the case of State railway telegraphs, or such rules as the Secretary of State may prescribe for the company's observance; and if so directed by the Secretary of State, shall account in such manner as shall be prescribed by the rules for the time being in force, in the case of State railway telegraphs, or as the Secretary of State shall require, for the receipts derived from the working of electric telegraphs and telegraphic appliances.

Police.

12. The Secretary of State shall provide and maintain, for the purposes of so much of the said railway as shall for the time being have been opened for public traffic, such a force of police as the company with the approval of the Secretary of State, shall from time to time require, with the qualification that in case of difference between the Secretary of State and the company as to the force of police required for the preservation of law and order, the determination of the question shall rest with the Secretary of State. The cost of providing and maintaining the force of police provided and maintained under this section, shall be borne as to three-tenths by the Secretary of State as part of the general expenditure of the Government of India, and as to the remaining seven-tenths by the company, and the company shall from time to time, on demand by the Secretary of State, pay into such Government Treasury in India as the Secretary of State shall appoint for the purpose, the amount which the Secretary of State shall from time to time state to be due to him from the company in respect of the force of police provided and maintained under this section. All amounts paid by the company under the stipulation last hereinbefore contained shall be included amongst working expenses.

13. If the company shall so desire the Secretary of State will provide and maintain, at the cost exclusively of the company, such a force of police as with the approval of the Secretary of State the company shall from time to time require for the protection of so much of the projected railway as shall for the time being be under construction.

Equipment with Rolling Stock.

14. The company shall, with reasonable speed equip the said railway when constructed with rolling stock, plant, and machinery of good quality, and adequate in quantity to work the said railway.

Opening for Traffic.

15. The company may from time to time, when and as often as an inspecting officer acting on behalf of the Secretary of State shall have certified that any part of the said railway is fit for the conveyance of passengers and goods, and properly equipped with rolling stock, plant, and machinery, open the same part for public traffic, and shall open the said railway throughout for public traffic when and so soon as such an inspecting officer as aforesaid shall have certified that the same railway throughout is fit for the conveyance of passengers and goods, and properly equipped with rolling stock, plant, and machinery.

Maintenance of the Railway, and Protection of Passengers and the Public.

16. The company shall keep the said railway, or so much thereof as shall for the time being have been opened for public traffic, and the stations and other works belonging thereto, in good repair, in good working condition, and sufficiently supplied with rolling stock, plant, machinery, and stores.

17. The company shall keep the rolling stock, and fixed and moveable machinery and plant for the time being belonging to the said railway, and to every part thereof which shall for the time being have been opened for public traffic, in good repair and in good working condition.

18. The company shall maintain a sufficient staff for the purposes of so much of the said railway as shall for the time being have been opened for public traffic.

19. The said railway and all the stations and other works, rolling stock, fixed and moveable machinery and plant from time to time belonging thereto, shall at all times be open to inspection by any officer or officers acting on behalf of the Secretary of State, and the company shall afford to every such officer all such facilities as he shall reasonably require to enable him to inspect any of the particulars open to inspection under this section.

20. Whenever any duly authorised inspecting officer, acting on behalf of the Secretary of State, shall report to the Government of India that in his opinion the use of the said railway or of any particular part or parts thereof will be attended with danger to passengers, the said railway or the part thereof referred to in the report, as the case may be, shall, upon the requisition of the Government of India, be forthwith closed so far as regards the conveyance of passengers, and shall not be re-opened for that purpose unless and until such an inspecting officer as last above mentioned shall have subsequently inspected the said railway, or, as the case may be, the portion thereof for the time being closed, and have certified the said railway, or, as the case may be, the portion thereof for the time being closed, to be fit and safe for the conveyance of passengers.

21. The Secretary of State may from time to time prohibit the company from using any engine, carriage, waggon, vehicle, machine, boat, or appliance of any description whatsoever of which the use shall be declared by a duly authorised inspecting officer acting on behalf of the Secretary of State, to be attended with danger to passengers or to the public, and the Secretary of State may, by taking into his custody such engine, carriage, waggon, vehicle, machine, boat, or appliance, or by such other means as he shall think fit to employ, prevent the company from using the same.

22. The Secretary of State may from time to time after the said railway shall have been opened throughout for public traffic, by notice in writing, require the company to carry out any reasonable alteration, improvement, or addition which may, in his opinion, be necessary for the safety of passengers, or of the public, or for the effectual working of the railway, to be made in or to any part of the said railway, or any of the stations or works belonging thereto. Such notice shall specify the alteration, improvement, or addition required, and shall also, in general terms, describe the works to be executed for the purpose of effecting the same. On receiving any such notice the company shall, with all reasonable speed, execute the works described therein, the Secretary of State providing, free of cost to the company, and giving to the company possession of any land that may be requisite for the purpose of such works, the land, so soon as in the possession of the company, to be as between the Secretary of State and the company, subject as nearly as may be to the stipulations and provisions to which it would have been subject under this contract had it been land of which possession was given to the company by the Secretary of State for the original construction of the said railway, or of works necessary or proper for the purposes thereof. If and as often as the company shall fail to execute or complete to the satisfaction of the Secretary of State, and within a reasonable time, the works prescribed in any such notice as mentioned in this section, the Secretary of State may execute or complete the execution

of the works, and the works so executed or completed by the Secretary of State shall be taken to by the company as works belonging to the said railway, and the company and the Secretary of State shall, subject to the proviso next hereinafter contained respectively, be in the like relative positions in respect to such works as they respectively would have been in had the works been completed by the company. Provided always, and it is hereby declared, that the company shall refund to the Secretary of State all expenditure incurred by him in the exercise of the powers conferred on him by this section, and shall from time to time, on demand, pay into such Government Treasury in India as he shall from time to time appoint for the purpose the amount which the Secretary of State shall from time to time state to be due to him from the company in respect of such expenditure as last aforesaid.

As to Working the Railway and Fares, Special Services, &c.

23. From and after the time when the said railway shall have been opened throughout for public traffic, until this contract shall terminate by efflux of time or otherwise, the company shall keep the same railway so opened, and work the same, and carry on thereon the business of common carriers of passengers and goods, and in particular will, unless hindered or prevented from so doing by accident or any other matter not within its own control, run daily from each extremity of the said line of railway to be constructed from Sonepore to Baraich, and of the said several branches respectively to the other extremity of the same line of railway, and the same several branches respectively, at least one train carrying passengers. The operation of this section shall from time to time be suspended so far as it shall be impossible for the company to fulfil the obligations of the same section without breach of the stipulations contained in the 20th section of this contract.

24. The Secretary of State may from time to time, if he shall think any alteration or improvement in the working by the company of the said railway, or any part thereof, necessary for the safety of passengers or of the public, or for the effectual working of the railway, require the company to effect such alteration or improvement, and the same shall thereupon be effected by the company.

25. The company shall charge such rates and fares for the carriage of goods and passengers on the said railway, or so much thereof as shall for the time being have been opened for public traffic, as may from time to time be fixed by the company, subject to the approval of the Secretary of State: Provided that the Secretary of State may require the charges for the conveyance of salt and coal and food grains to be reduced to any rate not below one-fifth of a pie per maund per mile for full waggon-loads carried not less than 100 miles, and may also require passengers to be conveyed at any rate not below two pies per mile in closed carriages provided with seats.

26. All services which the Secretary of State may require the company to perform for the Post Office by way of conveyance over the said railway, or any portion thereof, of mails as defined by the Post Office Act or Acts for the time being in force in India, or the conveyance over the said railway, or any portion thereof, of Post Office servants when on duty, shall be performed by the company free of charge.

27. All services (other than the services mentioned in the last preceding section) which the Secretary of State shall require the company to perform for the Post Office, the Military Department, the Police Department, or any Department of State not specifically mentioned in this section, or for High Government officials in relation to the said railway, or any portion thereof, by way of conveyance or transport, or incidental thereto, shall be performed by the company on the same general conditions as may for the time being be in force on State railways of the metre gauge, and at such rates of payment as may be approved by the Secretary of State. The services to which the conditions and rates last aforesaid are to apply shall include the conveyance of troops and sailors, military and naval establishments, horses and other animals used for military purposes, and guns, military stores and equipments, the conveyance of police, prisoners and paupers, the conveyance of telegraph stores, instruments, officers,

officers, and workmen, and of any public stores whatsoever: Provided that nothing in this section contained shall be construed to override the provisions previously in this contract contained as to the furnishing the Secretary of State with free passes for certain persons employed by him.

28. The company shall convey over the said railway, or so much thereof as shall for the time being have been opened for public traffic, gold and silver bullion and coin, and copper coin belonging to the Secretary of State, and the persons in charge thereof, at special rates to be from time to time agreed upon between the Secretary of State and the company.

29. The company shall from time to time, upon the requisition of the Secretary of State, give precedence to his demands, whether for freight or passenger accommodation, over all other traffic on the said railway, or so much thereof as shall for the time being have been opened for public traffic.

30. The company will not, as between members of the general public, make or give any undue or unreasonable preference or advantage to or in favour of any particular person or company, or any particular description of traffic, in any respect whatsoever, or subject any particular person or company, or any particular description of traffic, to any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

Running Powers, Facilities, and Accommodation for other Railway Companies, and for the State as to State Railways.

31. The Secretary of State will, so far as he may from time to time consider it desirable for the public convenience, endeavour to obtain for the company, on reasonable terms and conditions, powers to form such junctions as the Secretary of State may approve, with railways belonging to other railway companies, or to the State, and to run the trains of the company on such other railways.

32. The Secretary of State may from time to time require the company to allow the use of the said railway, or any part or parts thereof, for the passage of engines and trains belonging to other railway companies, or to State railways, upon the payment of reasonable tolls, and under reasonable conditions and restrictions.

33. The Secretary of State may from time to time require the company to allow the use of any of the stations belonging to the said railway, for the accommodation of the traffic of any other railway company, or of any State railway, upon the payment of reasonable tolls, and under reasonable conditions and restrictions.

34. The Secretary of State may from time to time require the company to make reasonable arrangements for the interchange of traffic and rolling-stock, with railways belonging to other companies, or to the State, and for through booking.

35. The company shall comply with all regulations from time to time prescribed by the Secretary of State for clearing through traffic with railways belonging to other companies, or to the State.

Power to Levy Tolls on Bridges.

36. If the company shall, with the approval of the Secretary of State, provide on any of its bridges roadways for foot passengers, cattle, or carts, the company shall have the right to charge during the continuance of this contract tolls on the traffic over such roadways, according to tariffs to be arranged between the Secretary of State and the company.

Ferries.

37. The company may with the approval of the Secretary of State from time to time during the continuance of this contract establish any ferry for the accommodation of the traffic of the said railway. Every such ferry to be equipped with boats, and fixed and moveable machinery and plant of good quality, and adequate in quantity to work the same ferry. The Secretary of

State shall from time to time give to the company free of cost to the company possession of such land as shall be requisite for the purposes of any ferry which the company shall with his approval establish for the accommodation of the traffic of the said railway, and the land so soon as in the possession of the company shall be subject as between the Secretary of State and the company as nearly as may be, *mutatis mutandis*, and having regard to the purposes for which possession thereof shall be delivered to the company to the stipulations and provisions to which it would have been subject under this contract, had it been land of which possession was given to the company by the Secretary of State for the original construction of the said railway, or of works necessary or proper for the purposes thereof. The company may with the approval of the Secretary of State work for purposes other than the accommodation of the traffic of the said railway any ferry which shall have been established by it.

38. The previous provisions of this contract relative to the said railway and its adjuncts, whether as regards construction, maintenance, working, equipment, maintenance of equipment, or any other matter (inclusive of the provisions as to rates and fares to be charged by the company to the Secretary of State, and the public, and of the provision for the performance by the company of certain services for the Secretary of State free of charge, and for the precedence of the Secretary of State in respect to his demands whether for freight or passenger accommodation) shall apply *mutatis mutandis*, and as far as circumstances will admit, in respect of every ferry which shall be established under the last preceding section.

Participation of Secretary of State in Profits.

39. The earnings of the company attributable to the period of twelve calendar months ending the 31st day of December 1888, and to every subsequent period of twelve calendar months ending on the 31st day of December, shall be applied as follows (that is to say)—

(1.) In the first place, in payment of working expenses attributable to the period to which the earnings relate.

(2.) In the next place, in payment of any undischarged working expenses attributable to any previous period or periods.

(3.) In the next place, in or towards payment of the interest on the borrowed capital (if any) of the company, including any arrears of such interest.

(4.) In the next place, in or towards payment to the company of a sum equal to the sum to which interest would amount at the rate of 6 per cent. per annum on the aggregate amount which for the time being shall have been *bonâ fide* paid up on such of the share capital of the company as shall for the time being have been issued, computed for the period of twelve calendar months as regards such parts of the last-mentioned aggregate amount as shall have been paid up prior to the commencement of the period of twelve calendar months to which the earnings for the time being dealt with relate, and computed on all other parts of the same aggregate amount from the respective times at which the parts shall respectively have been paid up down to the end of the period of twelve calendar months to which the earnings for the time being dealt with relate.

(5.) The surplus (if any) shall belong as to one-half to the Secretary of State, and as to the other half to the company, and the company shall pay to the Secretary of State, either in England or India, as the company may elect, the amount to which the Secretary of State shall for the time being have become entitled under this section, within 30 days after the ascertainment of the amount. If for the purposes of this sub-section it should be requisite to convert sterling money into Indian currency or Indian currency into sterling money, the conversion shall be effected at the market rate of the day for bills drawn on India payable on demand.

Restrictions on Capital and on Borrowing Powers.

40. The company shall not during the continuance of this contract, without he sanction in writing of the Secretary of State first obtained, at any time n crease its share or stock capital.

41. The total indebtedness of the company, in respect of borrowed capital, shall not at any time exceed the sum of 800,000 *l.*, except during any period in regard to which the Secretary of State may sanction the indebtedness of the company in respect of borrowed capital being of any larger specified amount, in which case the specified amount shall not be exceeded during the period. The restrictions imposed by the preceding portion of this section shall not preclude the company from borrowing money for the *bonâ fide* purpose of paying off previously existing indebtedness of the company in respect of borrowed capital to an amount equal to the extent of the money so borrowed, provided the money borrowed be *bonâ fide* applied to the purpose last aforesaid, as to which, however, no person lending or advancing money to the company shall be concerned to see. No money shall, without the previous sanction of the Secretary of State, be borrowed by the company at a discount, or at a premium, or on terms of the company paying to the lender a larger capital sum than that actually borrowed from him by the company. The company shall not, without the sanction of the Secretary of State, pay interest at a rate higher than 5 per cent. per annum on any moneys borrowed by or owing from it, but this stipulation shall not necessitate the sanction of the Secretary of State to the payment of interest by the company at any reasonable rate on any sums which the company may borrow for *bonâ fide* temporary purposes.

Accounts, Statistics, and Audit.

42. The company shall keep a capital account and a revenue account, and shall also keep all such accounts and all such details and statistics of its traffic as are required by the Secretary of State to be kept by the Indian railway companies working railways under the supervision of the Secretary of State, and in the forms in which the Secretary of State requires the accounts, statistics, and details of traffic last aforesaid respectively to be kept, and the company shall at its own cost render the capital account and revenue account, and all accounts, statistics, and details of traffic kept by it under the section to the Secretary of State at such times as he shall from time to time require.

43. In the capital account shall be entered all such of the expenditure and receipts by or on behalf of the company, in respect to its general undertaking contemplated by this contract as are properly attributable to capital. Provided that the company may during the original construction of the railway and works specified in the 3rd section of this contract, but for no period subsequent to the 31st December 1887, if authorised so to do by its constitution, pay out of capital any sums by way of interest on the amounts from time to time *bonâ fide* paid up on the issued share capital of the company, not amounting with the net interim earnings of the company to more than 4 per cent. per annum on the sums in respect of which the interest is paid, and may in like manner also pay out of capital any sums by way of interest on the capital for the time being, borrowed by the company under the provisions of section 41 of this contract. The moneys paid out of capital under this section may be charged to capital account as part of the original cost of construction.

44. In the revenue account shall be entered all such of the expenditure and receipts by or on behalf of the company in respect to its general undertaking contemplated by this contract, as are properly attributable to revenue, except so much of the expenditure last aforesaid as may under the section last hereinbefore contained be attributable to capital.

45. In any case where any question may or might arise as to whether any expenditure is to be treated in the whole or in part as a charge on capital or how the same is to be dealt with, the question shall be determined on the general principle that capital besides bearing the cost of the original construction and completion of the said railway, and the stations, station yards, offices, warehouses, houses for employés, fixed machinery, conveniences, and works

belonging thereto and of the original equipment of the said railway and its appurtenances, with rolling stock, plant and moveable machinery, and the cost of establishing any ferries which shall, with the approval of the Secretary of State, be established by the company during the continuance of this contract, for the accommodation of the traffic of the said railway, and of the original equipment of every such ferry with boats and fixed and moveable machinery and plant, and of the provision of every such roadway mentioned in the 36th section of this contract as shall be so provided with the approval of the Secretary of State, is to bear the cost of new works, of additional rolling stock, plant, boats and fixed and moveable machinery, and of substantial improvements of and additions to old works, rolling stock, plants and boats and fixed and moveable machinery, and that the cost of repairs, restorations, renewals, and replacements is to be charged to revenue account. No portion of the salary or allowances of any member of the permanent supervising or other administrative staff of the company accrued subsequently to the time when the said railway shall have been opened throughout for public traffic shall be charged to capital, although such member may have been employed partly or wholly in directing or superintending work which is so chargeable, and no expenses incurred by the company subsequently to the time when the said railway shall have been opened throughout for public traffic in connection with the engagement from England, or the passage from or to England of any person in the company's service shall be chargeable to capital unless such person shall have been specially engaged to carry out work chargeable to capital, and have been actually employed upon such work. All the expenses of the company properly incurred up to the time when the said railway shall have been opened throughout for public traffic, exclusive of working expenses attributable to such part of the said railway as shall for the time being have been opened for public traffic, but inclusive of all costs of and incidental to the formation and registration of the company, shall be chargeable to capital.

46. The accounts of the company in relation to its expenditure and receipts in India, England, and elsewhere, shall from time to time be audited on behalf of the Secretary of State as well as on behalf of the company, and the company shall produce to the auditors or auditor all vouchers, books, accounts, papers, and documents of the company necessary for the purpose of audit, and afford to them or him all facilities requisite for the performance of their or his duties. Amongst the functions of the auditors or auditor shall be included the duty of seeing that the revenue of the company is properly applied from time to time in discharging working expenses and keeping down the interest on the capital debt of the company. Any correction made in the accounts by any person or persons who shall be acting as joint auditors or joint auditor on behalf both of the company and of the Secretary of State shall be conclusive. If, consequent on the audit of any auditor acting exclusively on behalf of the Secretary of State, the Secretary of State shall require alterations to be made in the accounts and the company shall object to the alterations, the matter in difference shall be referred for final decision to two persons, one to be named by the Secretary of State and the other to be named by the company, and in case such two persons shall be unable to agree, then to a referee to be named by them the same two persons. The necessary costs of the audit shall be defrayed by the company and included in working expenses.

Working Expenses.

47. Working expenses shall include all costs and expenses incurred by the company in or about or in connection with the maintenance, management, and working of so much of the said railway as shall for the time being have been opened for public traffic, and the maintenance, management and working of any ferries for the time being open for public traffic which shall, with the approval of the Secretary of State, have been established by the company during the continuance of this contract for the accommodation of the traffic of the said railway, and the maintenance and management of any roadways on the traffic of which the company shall, pursuant to this contract, be for the time being entitled to charge tolls, also all costs and expenses in any portion of this contract stipulated to be included amongst working expenses, and, in general, all reasonable expenses proper to be allowed out of revenue in connection with the maintenance, management,

management, and carrying on of the undertaking contemplated by this contract to be established and carried on by the company. Neither any payment made by the company to any reserve fund established for any purpose, nor the cost of any force of police provided by the Secretary of State for the protection of any part of the said railway in course of construction, or of any ferry which shall not have been opened for public traffic, shall be included amongst working expenses, but the cost of such police shall be charged to capital as part of the cost of construction.

Miscellaneous Provisions.

48. The company shall not, during the continuance of this contract, without the sanction in writing of the Secretary of State first obtained, engage in or carry on or apply capital to any business other than the business provided by this contract to be carried on by the company, and business incidental or subsidiary thereto, or participate or co-operate with any person, company, or corporation in carrying on any business other than as aforesaid.

49. The company shall not, within the period of 12 calendar months immediately preceding the 31st day of December 1981, or if notice shall be given by the Secretary of State to the company conformably with the provisions hereinafter contained by or under which this contract will terminate on the 31st day of December 1912 or the 31st day of December 1932, within the period of 12 calendar months immediately preceding either one of the two days last aforesaid on which this Contract will terminate, sell or otherwise alienate any rolling stock, rails, fixed or moveable machinery, fixtures, boats, plant, articles, or other property belonging or appropriated to or to the working of the said railway or any part thereof, or to or to the working of any ferry which shall have been established by the company, or to or to the working of any roadways on the traffic using which the company shall be entitled under this Contract to charge tolls. If any property shall be sold or alienated by the company in contravention of this section the company shall forthwith pay to the Secretary of State the value of the property so sold or alienated.

50. The Secretary of State shall promote the passing by the Legislature in India of any Act or Acts which may be required to enable the company to carry into effect this Contract.

51. No claim shall be made upon the Secretary of State by the company for compensation in respect of the prejudicial effect upon the said railway or any ferry or roadway, to be established under this Contract, or the profits of the said railway, or of any such ferry or roadway as last aforesaid of any Act of the Indian Legislature of general applicability for the time being in force, and the company and its undertaking shall be subject to the provisions of every such Act as last aforesaid.

52. Any notice, determination, decision, direction, requirement, requisition, demand, appointment, certificate, expression of opinion, approval, or sanction to be given or signified on the part of the Secretary of State for any of the purposes of or in relation to this Contract, or any of the powers or provisions herein contained shall be sufficient and binding, if in writing signed by the Secretary of State, or one of his Under Secretaries, or by a Secretary of the Government of India, or by any other officer or servant authorised to act on behalf of the Secretary of State, in respect of the matters to which the same shall relate, and the Secretary of State shall not in any case be bound in respect of any of the matters aforesaid unless by some writing signed in the manner before mentioned in this section.

53. The registered office of the company shall at all times, during the continuance of this Contract, be situate in London or Westminster.

54. The company shall at all times during the continuance of this Contract keep an office established at some place in India, to be determined from time to time by the Secretary of State, and shall keep at the said office in India an authorised agent or committee of agency with whom the Secretary of State and the Government of India or other officer or officers deputed in that behalf may communicate on affairs concerning this Contract, and the duties and liabilities

of the parties hereto under this Contract, and to whom the Secretary of State and Government of India and such other officer or officers as last aforesaid may pay moneys for the use or on behalf of the company, and all drafts drawn and receipts given by the said agent or committee of agency, or under his or their authority on behalf of the company in relation to this Contract, or to any payment made or matter rising under or out or by virtue of this Contract, shall be binding on the company, and every notice to be given to the company, save the several notices mentioned in the next succeeding section, shall be sufficiently given if left at the said office in India or personally served on the said agent or any member of the said committee of agency.

As to termination of the Contract and matters consequent thereon.

55. The Secretary of State may, by giving to the company in England not less than 12 calendar months' previous notice in writing of such determination (which notice is hereinafter referred to as "notice of purchase"), determine this Contract, either on the 31st day of December 1912, or on the 31st day of December 1932. Also, if the said railway shall not have been opened throughout for public traffic by the 31st day of December 1887, or if there shall be any breach on the part of the company (whether by act, omission, or default) of any of the stipulations or provisions of this Contract on the part of the company to be performed or observed, and the company shall fail to effectually remedy any such default or any such breach of any of the stipulations or provisions of this Contract, as previously in this section mentioned, within six calendar months after notice in writing to remedy the same shall have been given to the company in England by the Secretary of State, he may, on the expiration of the six calendar months last aforesaid, determine this Contract, by giving to the company notice in writing of such determination, hereinafter referred to as "notice of determination." And it is hereby declared that at the time at which this Contract shall terminate by efflux of time, or by or under notice of purchase or notice of determination, the company shall, without acquiring the right to any compensation or payment from the Secretary of State in respect thereof, except as hereinafter specially provided, deliver to the Secretary of State possession of all land of which he shall have given to the company possession under or for any purposes of this Contract (so far as not then already restored to the Secretary of State), together with the stations, station yards, offices, warehouses, houses for employés, machinery, conveniences, works, bridges (inclusive of roadways referred to in the 36th section of this Contract), rails, fixtures, and plant then erected or being on the land to be delivered up under this section, or in anywise belonging to the said railway or any part thereof, or to any ferry or ferries then established or in course of establishment under this Contract, and also to deliver to the Secretary of State all rolling-stock, moveable machinery, boats, plant, and articles belonging, or appropriated either as regards purposes of construction, or maintenance, or establishment, or working, or otherwise to the said railway, or any part thereof, or any of the works or adjuncts thereof, inclusive of any such roadways as previously mentioned in this section, or to any ferry or ferries then established, or in course of establishment, under this contract, and the then existing stock of stores appropriated, whether for purposes of construction, maintenance, establishment, working, or otherwise to the said railway, or to any of the adjuncts thereof inclusive, as last aforesaid, or to any part of the equipment thereof, or to any ferry or ferries then established, or in course of establishment, under this contract, or to any part of the equipment thereof, and all plans, books, surveys, sections, printings, writings, and documents whatsoever in anywise connected with, or with the construction or maintenance of the said railway, or any part thereof, or any of the works or adjuncts thereof inclusive, as last aforesaid, or with or with the establishment or maintenance of any such ferry as last aforesaid. And also deliver to the Secretary of State any telegraphs, telegraphic appliances, or other chattels belonging to the Secretary of State, and then in possession of the company, in relation to this contract. All the particulars mentioned in this section shall, at the time when the Secretary of State shall, under this section, become entitled to the delivery thereof, so far as not then already belonging to him, become his absolute property, free both as between the Secretary of State and the company, and the Secretary of State and the incumbrancers from all incumbrances whatsoever created by the company, it being the intention

intention of the parties hereto that the Secretary of State shall not be affected by any charge or incumbrance of any kind created by the company on any real or personal property which, during the continuance of this contract, shall be in the possession of the company, whether belonging to the Secretary of State or to the company. The rights of either party to this contract, as against the other party hereto in respect of the previous breach of any covenant herein contained, shall continue to subsist, notwithstanding the termination of this contract either by efflux of time, or notice of purchase, or notice of determination, and such termination shall not affect the right of either party hereto to require the payment of any unpaid money which, under the provisions of this contract, shall have become actually payable to or on behalf of him or it by the other party hereto.

56. In case this contract shall terminate by efflux of time, the Secretary of State shall, within four calendar months from the time at which this contract shall so terminate, pay to the company in London, out of the revenues of India such a sum of money as shall be the fair value of such rolling stock, moveable machinery and plant, boats and stores, belonging to the company as shall, pursuant to the section last hereinbefore contained, be delivered by the company to the Secretary of State (the said fair value to be determined by arbitration in case of dispute).

57. In case this contract shall terminate by notice of purchase, the Secretary of State shall, within four calendar months from the time at which this contract shall terminate, pay to the company in London, out of the revenues of India, a sum of money equal to twenty-five times the excess of the average yearly amount of the earnings of the company during the five years immediately preceding the time at which this contract shall terminate, over the average aggregate sum to which the working expenses of the company and share of surplus (if any) belonging to the Secretary of State under the 5th sub-section of the 39th section of this contract amount yearly during the same five years.

58. If this contract shall terminate either by notice of purchase or by efflux of time, the Secretary of State shall deduct from the moneys which would but for this proviso become payable to the company under either of the last two preceding sections, any amount owing to him by the company at the time of the termination of this contract. Also in case at the time when this contract shall terminate by notice of purchase, the said railway, or any ferry or ferries which shall have been established under this contract, together with the equipment of rolling stock, boats, fixed and moveable machinery, plant, and stores delivered to the Secretary of State by the company, shall not be in all respects in good working condition, and either in respect to quality or quantity commensurate with the expenditure of capital by the company in respect to the same premises, or in case at the time when this contract shall terminate by efflux of time the said railway, or any such ferry or ferries as before mentioned in this section, together with the equipment of fixed machinery and plant delivered to the Secretary of State by the company shall not be in all respects in good working condition, and either in respect to quality or quantity commensurate with the expenditure of capital by the company in respect to the same premises, the Secretary of State may deduct from the amount to become payable by him to the company under either such of the last two preceding sections as may ultimately come into operation the expenditure (to be ascertained by arbitration in case of difference) necessary to remedy the defects of condition and equipment, or such of them as may exist.

59. In case the Secretary of State shall determine this contract by notice of determination, he shall, within four calendar months from the time when this contract shall terminate, pay to the company in London, out of the revenues of India, the fair value of all such rolling stock, moveable machinery and plant, boats and stores belonging to the company as shall, pursuant to the previous provisions of this contract, be delivered by the company to the Secretary of State on the termination of this contract, and also the sum which shall at the time of the termination of this contract be the fair value of the said railway so far as constructed, and of the fixed machinery and plant belonging thereto, or to any ferries or ferry established, or then in course of establishment by the company, under this contract (exclusive, however, of all telegraphs and telegraphic ma-

chinery and plant), less the value at the same time of the sum last hereinbefore mentioned, treated as a reversionary sum absolutely payable on the 31st day of December 1981, the rate of interest employed in calculating the reversionary value to be 3¼ per cent. per annum. The fair value of property for purposes of this section shall, in case of difference between the Secretary of State and the company, be ascertained by arbitration, and shall be calculated on the basis of the original cost thereof, and without reference to the profits earned by the undertaking of the company whilst worked by it, or to expectations of future profits to be derived by working the said railway or any ferry: Provided that the Secretary of State shall be at liberty to deduct any amount that may be owing by the company to him at the time of the termination of this contract from any moneys that may under the previous provisions of this section become payable by him to the company.

60. Any such clear balance of money as shall under the conjoint operation of the 56th and 58th sections of this contract, or of the 57th and 58th sections of this contract, or under the 59th section of this contract become payable by the Secretary of State to the company, shall carry interest in favour of the company at the rate of 4 per cent. per annum, to be computed from the time when this contract shall terminate down to the time of payment or tender of the clear balance by or on behalf of the Secretary of State to the company, and the Secretary of State shall pay to the company in London out of the revenues of India any interest accrued under this section in favour of the company, with the capital money in respect of which the interest shall have become payable.

Change of Currency.

61. If in any case not herein otherwise or specially provided for it shall be requisite to convert into Indian currency sterling money, or into sterling money Indian currency, the conversion shall be made at the average rate of exchange obtained by the Secretary of State for bills payable on demand drawn by him on India during the half-year ending either the 30th day of June or 31st day of December immediately preceding the half-year ending the 31st day of December or 30th day of June in which the conversion requires to be effected, or, if the Secretary of State shall not have drawn bills on India for so much as three months out of the half-year by reference to the rates of exchange obtained, during which the rate of conversion ought to be regulated, then at the average rate obtained during that half-year for the best commercial bills payable on demand drawn in London on India, such average rate to be decided by the Comptroller General at Calcutta.

Arbitration.

62. If any dispute, question, or controversy shall at any time arise between the Secretary of State and the company touching this contract, or any clause or thing herein contained, or the construction hereof, or any matter connected with this contract, or the operation of the same, or the rights, duties, or liabilities of either party in relation to the premises, then and in every such case the matter in difference shall, unless special provision shall have been made in this contract for the settlement of the matter so in difference, be referred to two arbitrators or their umpire pursuant to and so as with regard to the mode and consequences of the reference, and in all other respects to conform to the provisions in that behalf contained in the Common Law Procedure Act, 1854, or any subsisting statutory modification thereof, and upon every such reference the arbitrators and umpire shall respectively have power to examine witnesses upon oath or affirmation, and either to fix, settle, and determine the amount of costs of the reference and award respectively, or incidental thereto, to be paid by both parties, or by either party, or to direct the same to be taxed either as between solicitor and client, or otherwise, and to direct and award where and by and to whom such costs shall be paid, and every or any such reference may be made a rule of Her Majesty's High Court of Justice or of the High Court of Judicature at Fort William, in Bengal, on the application of the Secretary of State or of the company, and either the Secretary of State or the company may instruct counsel to consent thereto for the other party.

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on 27 November, 2018